NAVAL POSTGRADUATE SCHOOL
Monterey, California

THESIS

Career Paths for Unrestricted Line Officers
with the
Financial Management Subspecialty

by

LCDR Alexander L. Urrutia

December, 1991

Thesis Advisor: Professor Richard A. Harshman
Second Reader: Professor Benjamin J. Roberts

Approved for public release; distribution is unlimited.

T259114

REPORT DOCUMENTATION PAGE

Form Approved
OMB No. 0704-0188

1a REPORT SECURITY CLASSIFICATION Unclassified	1b RESTRICTIVE MARKINGS N/A
2a SECURITY CLASSIFICATION AUTHORITY N/A	3 DISTRIBUTION / AVAILABILITY OF REPORT Approved for public release; distribution unlimited
2b DECLASSIFICATION / DOWNGRADING SCHEDULE N/A	
4 PERFORMING ORGANIZATION REPORT NUMBER(S) N/A	5 MONITORING ORGANIZATION REPORT NUMBER(S) N/A
6a NAME OF PERFORMING ORGANIZATION Naval Postgraduate School 6b OFFICE SYMBOL (If applicable) N/A	7a NAME OF MONITORING ORGANIZATION N/A
6c. ADDRESS (City, State, and ZIP Code) Monterey, California 93940	7b ADDRESS (City, State, and ZIP Code) N/A
8a NAME OF FUNDING / SPONSORING ORGANIZATION Naval Postgraduate School 8b OFFICE SYMBOL (If applicable) N/A	9 PROCUREMENT INSTRUMENT IDENTIFICATION NUMBER N/A
8c. ADDRESS (City, State, and ZIP Code) Monterey, California 93940	10 SOURCE OF FUNDING NUMBERS PROGRAM ELEMENT NO: N/A; PROJECT NO: N/A; TASK NO: N/A; WORK UNIT ACCESSION NO: N/A

11 TITLE (Include Security Classification)
Career Paths for Unrestricted Line Officers with the Financial Management Subspecialty (Unclassified)

12 PERSONAL AUTHOR(S)
Alexander L. Urrutia, Lieutenant Commander, USN

13a TYPE OF REPORT	13b TIME COVERED	14 DATE OF REPORT (Year, Month, Day)	15 PAGE COUNT
Master's Thesis	FROM N/A TO _____	1991, December, 17	121

16 SUPPLEMENTARY NOTATION
N/A

17 COSATI CODES			18 SUBJECT TERMS (Continue on reverse if necessary and identify by block number)
FIELD	GROUP	SUB-GROUP	Careers, Career Paths, Financial Management, Officer Career Paths, Subspecialties

19 ABSTRACT (Continue on reverse if necessary and identify by block number)

This thesis provides an analysis of the Unrestricted Line Officer career structures for the Surface, Subsurface and Aviation Warfare Communities. Specifically, the various community career structures are studied in an attempt to identify where progressive developement of the Financial Management subspecialty could be accomodated. This information is used to propose alternative career paths, which are designed to ensure that the officer fulfills all necessary requirementsfor achieving Command. The objective of the proposed alternative career path process, is to produce officers qualified to assume Command in their respective community, and qualified to assume the most demanding financial management billets in the Navy.

In addition, the impact of having the Financial Management subspecialty on the future promotion potential of the Unrestricted Line Officers is

20 DISTRIBUTION / AVAILABILITY OF ABSTRACT ☒ UNCLASSIFIED/UNLIMITED ☐ SAME AS RPT ☐ DTIC USERS	21 ABSTRACT SECURITY CLASSIFICATION UNCLASSIFIED
22a NAME OF RESPONSIBLE INDIVIDUAL Lcdr Alexander L. Urrutia	22b TELEPHONE (Include Area Code) 804 646 2536 22c OFFICE SYMBOL NPS code 36

Block 19 Continued:
analyzed. This portion of the thesis utilizes regression analysis on ten years of promotion data, for various categories of officers. The results are used to compare the promotion potential between the various categories of officers to determine if the Financial Management subspecialty has an adverse or favorable impact on the officer's future promotions.

Approved for public release; distribution is unlimited.

Career Paths for Unrestricted Line Officers with the Financial Management Subspecialty

by

Alexander L. Urrutia
Lieutenant Commander, United States Navy
B.S., United States Naval Academy, 1979

Submitted in partial fulfillment
of the requirements for the degree of

MASTER OF SCIENCE IN MANAGEMENT

from the

NAVAL POSTGRADUATE SCHOOL

U405
c.1

ABSTRACT

This thesis provides an analysis of the current Unrestricted Line Officer career structures for the Surface, Subsurface and Aviation Warfare Communities. Specifically, the various community career structures are studied in an attempt to identify where progressive development of the Financial Management subspecialty could be accommodated. This information is used to propose career paths, which are designed to ensure that the officer fulfills all necessary requirements for achieving Command. The objective of the proposed alternative career path process, is to produce officers qualified to assume both Command in their respective community, and qualified to assume the most demanding financial management billets in the Navy.

In addition, the impact of having the Financial Management subspecialty on the future promotion potential of the Unrestricted Line Officers is analyzed. This portion of the thesis utilizes regression analysis on ten years of promotion data, for various categories of officers. The results are used to compare the promotion potential between the various categories of officers to determine if the Financial Management subspecialty has an adverse or favorable impact on the officer's future promotions.

TABLE OF CONTENTS

I. INTRODUCTION 1

A. PROBLEM 1

B. BACKGROUND 4

1. Financial Management Skills in the Navy . . . 4

2. Financial Management Education in the Navy . . 7

3. The Perceived Impact of Shore Duty 9

C. SCOPE LIMITATIONS AND ASSUMPTIONS OF THE ANALYSIS 12

D. OBJECTIVE OF THE ANALYSIS 14

E. RESEARCH QUESTIONS 15

II. FRAMEWORK 16

A. METHODOLOGY 16

B. FINANCIAL MANAGEMENT REQUIREMENTS 18

1. Understanding the Subspecialty Code Process . 18

2. Financial Management P and Q Coded Billets . . 21

3. Financial Management Billets 24

4. Meeting the Needs of the Navy 31

III. CURRENT UNRESTRICTED LINE OFFICER CAREER PATHS . 36

A. BACKGROUND 36

B. SURFACE OFFICER CAREER PATHS 38

C. SUBMARINE OFFICER CAREER PATHS 45

D. AVIATION OFFICER CAREER PATHS 50

IV. PROPOSED CAREER PATHS 56
A. INTRODUCTION 56
B. CAREER PATHS 58
1. Surface 58
2. Subsurface 63
3. Air 65
V. THE IMPACT OF THE FINANCIAL MANAGEMENT SUBSPECIALTY . 69
A. BACKGROUND 69
B. DATA 73
C. REGRESSION ANALYSIS 83
VI. CONCLUSIONS, RECOMMENDATIONS AND AREAS FOR FURTHER STUDY 94
A. CONCLUSIONS 94
1. Financial Management Jobs in the Navy 94
2. Categorizing DON Financial Management Billets 94
3. Determining the Input of Officers 95
4. Optimum Career Paths 96
5. The Impact of the Financial Management Subspecialty 97
B. RECOMMENDATIONS AND AREAS FOR FURTHER STUDY . . . 99
APPENDIX: INTERVIEW QUESTIONS 102
LIST OF REFERENCES 105
INITIAL DISTRIBUTION LIST 110

LIST OF TABLES

1. Promotion Results for Unrestricted Line Officers: Financial Management 75
2. Promotion Results for Unrestricted Line Officers: Non P/Q Coded Officers 76
3. Promotion Results for Unrestricted Line Officers: Antisubmarine P/Q Coded Officers 77
4. Promotion Results for Unrestricted Line Officers: Naval Systems Engineering P/Q Coded Officers 78
5. Promotion Results for Unrestricted Line Officers: Aeronautical Systems Engineering P/Q Coded Officers . 79
6. Promotion Results for Unrestricted Line Officers: Intelligence 80
7. Promotion Results for Unrestricted Line Officers: Manpower, Personnel and Training 81
8. Promotion Results for Unrestricted Line Officers: Political Science 82

LIST OF FIGURES

1. Financial Management Subspecialty Curriculum Requirements 8
2. Thesis Flow Diagram 17
3. Subspecialty Code System Example 20
4. Growth of the Financial Management Subspecialty . . . 22
5. Level One Financial Management Billets 28
6. Level Two Financial Management Billets 29
7. Level Three Financial Management Billets 30
8. Postgraduate School Quota Model 32
9. Summary of Subspecialty Billet Fills 34
10. Critical Surface Milestones 39
11. Current Surface Career Structure 42
12. Surface Shore Assignment Zones 43
13. Critical Subsurface Milestones 46
14. Subsurface Shore Assignment Zones 48
15. Current Subsurface Career Structure 49
16. Critical Aviation Milestones 51
17. Aviation Shore Assignment Zones 53
18. Current Aviation Career Structure 54
19. Proposed Surface Career Path 60
20. Proposed Subsurface Career Path 64
21. Propose Aviation Career Path 66
22. Subspecialty Study Groups 72
23. Regression Summary Non Technical: Captain 86
24. Regression Equations Non Technical: Captain 86

25. Regression Summary Technical: Captain 87
26. Regression Equations Technical: Captain 87
27. Regression Summary Non Technical: Commander 89
28. Regression Equations Non Technical: Commander 89
29. Regression Summary Technical: Commander 90
30. Regression Equations Technical: Commander 90
31. Regression Summary Non Technical: Lieutenant Commander 92
32. Regression Equations Non Technical: Lieutenant Commander 92
33. Regression Summary Technical: Lieutenant Commander . 93
34. Regression Equations Technical: Lieutenant Commander 93

I. INTRODUCTION

A. PROBLEM

John Paul Jones once gave an eloquent speech in which he addressed the attributes of a Naval Officer;

> "It is by no means enough that an officer of the Navy be a capable mariner. He must be that of course but also a great deal more. He should be as well a gentleman of liberal education, refined manners, punctilious courtesy, and the nicest sense of personal honor.....
>
> He should be the soul of tact, patience, justice, firmness and charity. No meritorious act of a subordinate should escape his attention or be left to pass without its reward, even if the reward be only a word of approval. Conversely, he should not be blind to a single fault in any subordinate, though at the same time, he should be quick and unfailing to distinguish error from malice, thoughtlessness from incompetency, and well meant short coming from heedless or stupid blunder. As he should be universal and impartial in his rewards and approval of merit, so should he be judicial and unbending in his punishment or reproof of misconduct."

In view of the financial constraints under which the officers of today's Navy must operate, perhaps the words of John Paul Jones should be amended to include the requirement to be an efficient and effective manager of limited financial resources. Recently, Secretary of Defense, Richard Cheney and Chairman of the Joint Chiefs of Staff, General Collin Powell lent credence to this requirement during the Senate Armed

Forces hearings of 1991.[1] During those hearings, repeated reference was made to the desire of avoiding a "hollow force" in light of the Department of Defense budget cutbacks. The decision was made to maintain a smaller but better equipped and more modern force vice a larger ill-equipped and ill-trained force, similar to that force in existence during the 70's. Underlying this decision was the presumption that the scarce financial resources made available to the Department of Defense would be effectively managed.

The perceived need for financial management skills and experience in the Navy is not new, if anything, it is merely given little emphasis. As early as 1963, Vice Admiral W.R. Smedberg III, Chief of Naval Personnel, stated his belief that officers of the Navy should have the skills of comptrollers, in order to manage the budget and fiscal affairs entrusted to them.(Bupers, 1963) More recently, the Assistant Secretary of the Navy for Financial Management, Mr. McCormack, expressed in an interview, the need for experienced financial managers in the Navy. "Today's budget drives the programs in the Navy," making an understanding of financial management and the budget process imperative for Unrestricted Line Officers in high level financial related billets.(McCormack, 1991)

The tightening financial constraints within the Department of Defense make it imperative that all services prudently and

---

[1] Senate Hearings in support of the President's FY 92 Department of Defense budget proposal.

aggressively manage scarce financial resources. To meet this challenge, the Department of the Navy is assigning its most competent and successful unrestricted line officers to its most demanding financial management assignments. These assignments are unique in that they require an understanding of operational fleet characteristics and a high level of financial management skill. Unfortunately these Unrestricted Line Officers are often lacking in the desired financial management experience necessary to adequately and effectively execute their duties.

It is vital that the Navy place more emphasis towards the effective development and efficient billeting of Unrestricted Line Officers with financial management expertise. This is particularly critical in light of the fact that within the OPNAV budgeting and planning organizations, the unrestricted line community holds several key financial management positions. In this regard, the Navy must identify highly competitive Unrestricted Line Officers early in their careers, for input into a career path supporting both the officer's goal of command and the demanding shore based financial management billets. The position that financial management skills should be progressively developed in the career paths of Unrestricted Line Officers was recently supported in an interview with the Director of Budget and Reports for the Navy (OP-82). During the interview, Rear Admiral Milligan expressed the belief that unrestricted line officer financial managers

should, " grow up in the community."(Milligan, 1991) In this respect, Admiral Milligan was referring to the desire to have officers gain a firm understanding of the money management process in the Department of the Navy as early in their career as possible. By achieving this goal, officers could bring cumulative subspecialty knowledge to subsequent financial management jobs, thus making optimum use of the learning curve.

This thesis will provide an analysis of the optimum career paths available for Unrestricted Line Officers with the Financial Management subspecialty. This analysis will be based on the premise that any proposed career path must support the line officer's fundamental goal of Command at sea, while ensuring the development of the necessary financial management skills through post graduate education and experience tours.

B. BACKGROUND

In order to set the stage for the discussion of financial management jobs in the Department of the Navy, their incorporation into the career paths of Unrestricted Line Officers, and the impact of specializing in this area on the officer, some brief background information will be useful.

1. Financial Management Skills in the Navy

It is the opinion of the author that the skills of financial management are not adequately stressed or developed

in the career path of Unrestricted Line Offices. The modern Navy is predominately technically oriented, neither encouraging nor adequately planning for the eventual necessity of financial management skills in the future of its officers. During the author's limited career as an Unrestricted Line Officer, the opportunity to interview with Admiral Hyman G. Rickover for a position in the Navy's nuclear power program presented itself. During the interview Admiral Rickover expressed severe displeasure with the choice of Business Management as a major at the Naval Academy. In the words of Admiral Rickover, " The Navy doesn't need managers, it needs engineers". It was under the influence of Admiral Rickover that the Naval Academy adopted the ratio of 80% engineering majors to 20% non-engineering majors.

The emphasis on financial management skill development is absent at several levels (if not all) of the pipeline for unrestricted line officers. Starting with the primary input sources for unrestricted surface line officers, no formal training requirement encompassing financial management exists for Midshipmen at the Naval Academy, Naval Reserve Officer Training Corp (NROTC) programs or Officer Candidate School (OCS). Post commissioning training fairs no better, as Basic Surface Warfare Officer School (SWOS) and Department Head School are deficient in this area also. The skills of financial management are assumed in the process of developing Naval officers, yet each officer plays an ever increasing

important role in the financial management and budgeting process in the Navy. As Ensigns, officers fill the base positions in the cost centers as Division Officers, managing money and submitting budget requests up the chain of command. At the Department Head level, officers formulate their respective departmental budgets, with the Division Officer inputs for consolidation into the individual ship budget requests. If the foundation is weak in the knowledge of basic financial management skills, the optimum allocation of financial resources will not be obtained.

The impact of inadequate financial management skills and experience on the Navy is not within the scope of this thesis. It is interesting to note however, the findings of Sushka, in his thesis "A Comparative Study of the Navy Project Manager and his Civilian Counterpart in Industry."(Sushka, Pg 64-65) Sushka wrote of his findings regarding the military line project manager's readiness for his job.[2]

> "...the military line project manager usually comes to his project management job through a career progression that has continually put the opportunity to gain on the job acquisition experience in jeopardy because of the forces created in pursuing the classic career carrot at the end of the stick, major combat command. Instead of coming to his job with procurement experience, management education and weapons acquisition expertise to combat all the adversaries, the military manager arrives more as the operational warrior of the past and less the proficient project manager. He thus tends to be more conservative and less of a risk taker. He often shows less initiative and

---

[2] This type of job is typical of a high level financial management billet for an Unrestricted Line Officer with the Financial Management subspecialty.

> is less innovative than his civilian counterpart, as the background for taking risks and demonstrating something other than conformity often is lacking and is less adequate than that of the civilian manager in industry. That background and experience which is required to get the project management job done effectively and that which is the expected norm of a typical line captain's behavior as he proceeds through the prescribed stepping stones to Flag rank are often in conflict-often to the detriment of the overall project."

Sushka's findings were correlated in the thesis effort of Joseph Gerald Rezin. In his work, he found that the military manager felt ill-prepared upon arrival at senior management jobs in the Navy. The officers felt that they were technically well prepared for their assignment. However, their technical qualifications were felt to be obtained at the expense of developing sound managerial and organizational skills, early in their respective career paths. (Rezin, 1976) The result was a failure of the officer to reach his full potential in the execution of his program responsibilities. The impact of such a failure due to a lack of managerial and financial skills, can only be a Navy program operating at less than optimum level.

2. Financial Management Education in the Navy

The most common starting point for development of financial management skills in the Navy is the obtainment of the Financial Management subspecialty, P-code (XX-31). This P-code is obtained through successful completion of the masters program at the Naval Postgraduate school (NPS) in Monterey, California. This program has evolved from an 11 month

Management and Industrial Engineering program, taught only at Rensselaer Polytechnic Institute, in New York, to the current 18 month program at NPS. (Bupers, 1963) The description of the subspecialty best serves to underline its goal.

(Gumbert, pg. 1)

" To support the Department of the Navy's financial management organization with officers experienced and/or educated in the management of resources within the Department of Defense. The subspecialty requires specific education and skills in Navy budgeting and accounting procedures, supported by a knowledge of management systems applications, economic principles, and financial analysis."

The NPS academic program designed to support the Financial Management subspecialty is curriculum 837. Other educational avenues exist to obtain a Master of Business Administration or a Master of Science in Management, both eventually leading to the assignment of the P-code. However, the NPS route is preferred, as it allows close control by the Navy over course content.[3] Figure 1 lists the

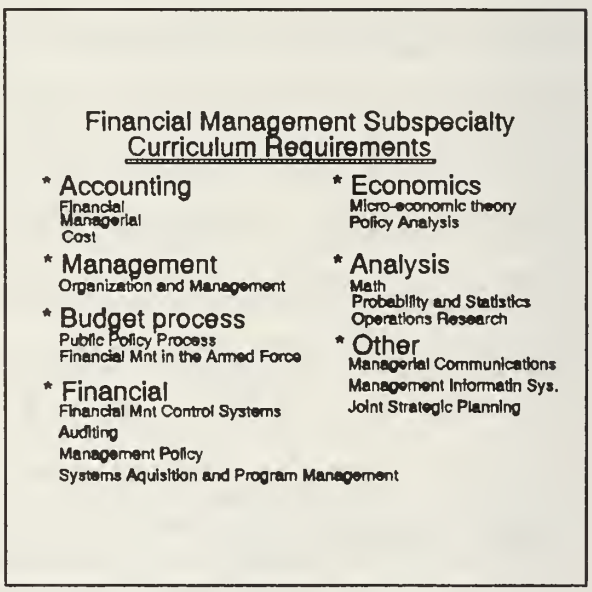


Figure 1

[3] As of March 1991, of a total of 980 officers holding financial management related masters degrees, 631 were from NPS and 349 were from other institutions. (Gumbert, pg. 2)

current curriculum courses which support the Financial Management Subspecialty.

It should be understood that other factors in addition to education, contribute to success in the financial management arena. Among these are objectivity, aggressiveness, operational experience and the ability to learn on the job. (McCormack, 1991) For the purposes of this thesis effort, only the financial management education and the financial management experience, leading to the P/Q code designation will be considered.

3. **The Perceived Impact of Shore Duty**

This thesis will make an analytical comparison of the promotion statistics of financial management P/Q-coded officers with those officers having no P/Q-codes, those having technical P/Q-codes and those having non technical P/Q-codes. Conclusions will be drawn on the impact of having the Financial Management subspecialty P/Q-code on the careers of Unrestricted Line Officers.

It is of interest to note that the majority of Unrestricted Line Officers consider shore duty of any kind to be less important to the Navy than sea duty. In a study conducted on officer career development, two categories of Unrestricted Line Officer's were analyzed in order to use their impressions of shore duty, sea duty and joint duty in the development of the Navy's joint duty career policy.

(Morrison, 1988) The study concluded that the Navy's traditional emphasis on "going to sea" was responsible for the perception that sea duty , not shore duty, was good for the officer's career. (Morrison, pg. 7) One conversation between the author and his detailer which will forever be etched in memory reinforces this belief: " Shore duty can hurt you, but it can't help you. You make your money at sea."

Despite this perception, a study on junior officer retention conducted in 1980, drew slightly different conclusions between the desirability of shore duty vice sea duty. The study concluded that some officers considered "highly visible" shore duty billets desirable. These billets allowed close contact with very senior officers in Washington. These contacts would ultimately be relied on for "greasing the skids" along the future career path of the officer. Inherent in these billets was the opportunity to make highly visible, concrete contributions in a short period of time. (Derr, 1980) This view, although not totally deniable, relies heavily on informal relationships and not on professional competence. Financial management shore billets have ample opportunity for contacts of this nature, however the determination of the impact of having a subspecialty and occupying a particular billet should present itself in the promotion statistics.

The official position of the Navy on shore duty versus sea duty is that the competitive officer needs a balance of both. The point is stressed in CNO policy documents, 1983:

> You will note the emphasis on earning a warfare specialty designation during the first operational tour. Subsequent operational tours will develop this warfare specialization with each operational tour normally building on the experience of the previous one. Similarly, the complexities of the managerial and technical challenges facing the unrestricted line decision maker in the higher grades also requires a significant degree of concentrated development during non operational tours. In other words, the same building block concept applied to "sea duty" also applies to "shore duty". We would not expect a senior commander or captain whose last sea tour was 10 years earlier as a Lieutenant to be prepared to command at sea. The same applies ashore. The senior commander or captain without experience with the Planning, Programming and Budgeting System (PPBS) would be hard pressed to perform well in certain key billets in the rapid-paced environment of OPNAV.

This position was emphasized in the March 1990 issue of *Perspective*, a professional magazine for officers. In the issue, the selection criteria for Unrestricted Line Officer Commanders to Commander Command were given. The criteria included both proven performance at sea, and subspecialty development and utilization.

The significance of this background lies in the fact that if, through this thesis effort, it can be shown that possessing the financial management P/Q-code does not harm the career of Unrestricted Line Officers, then more high calibre officers might be attracted to the subspecialty. This might particularly be true if it can be shown that possessing the subspecialty actually helps the Unrestricted Line Officer in subsequent promotion opportunities. The bottom line is that all subspecialties open to the Unrestricted Line Officer communities compete for the same pool of officer talent. The

perceived impact of having a particular subspecialty will have a direct affect on both the quantity and quality of officers entering the subspecialty program.

C. SCOPE, LIMITATIONS AND ASSUMPTIONS OF THE ANALYSIS

The scope of this Thesis will be limited to that population of "Unrestricted Line (URL) officers" who obtain the Financial Management P-code (XX31-P) from the Naval Postgraduate school, as well as those unrestricted line officers who have, through successful completion of a financial management related billet, elevated their P-coded status to a Q-coded status. The financial management P-code (XX31-P) from the Naval PostGraduate School will therefore be considered the necessary baseline knowledge level required for assignment into financial management related shore billets.

For the purposes of this analysis, Unrestricted Line Officers will be broken down into three distinct categories;

1. Surface warfare officers (conventional)
2. Submarine warfare officers
3. Aviation warfare officers

Unrestricted Line Officers are defined in basic terms as those officers who are eligible to assume command of ships, submarines or aviation squadrons, without any restrictions. (Osterhoudt, 1983)

In addition, only those officers occupying the ranks of Lieutenant Commander (0-4) through Captain (0-6), upon

promotion, will be considered. This limitation is consistent with the subspecialty coded billet structure which has the following constraints (SRB Handbook, Pg 5):

1. Flag Office (0-7+) billets are not subspecialty coded.

2. P-coded (Masters level) billets, and higher, are not written below the grade of Lt for 1000, 1050, and 1110 designators.

3. P-coded (Masters level) billets, and higher, for 1120 and 13XX designators are not normally written below the rank of Lieutenant Commander.

In addressing the topic of "careers" and "career paths", as they relate to the existing and modified naval career paths, the author concedes that a myriad of definitions exist. These definitions range from the traditional corporate view, "..entry into an organization, learning, advancement to management, and eventual retirement.." to a complex four stage "career cycle" leading to success for the high performers. (Estabrooks, pg 13,14) For the Naval Officer, both careers and career paths will vary, although following some core path. This analysis will be limited to the authors definition of an unrestricted line officer career path which follows: An Unrestricted Line Officer career path is a sequence of training and required billets, leading to a command position. These billets are designed to develop expertise in the designated warfare area, while providing close supervision and continuous evaluation of the officer.

Finally, an assumption will be made in regard to the term of the Unrestricted Line Officer's career. The term used for the career path study phase will be 20 years. This will allow an officer to meet the minimum requirement for retirement. In restricting the study to 20 years, the impact of the Goldwater-Nichols joint tour requirement will be minimized. Although discussed, this requirement will be assumed to occur after the 20 year point.

D. OBJECTIVE OF THE ANALYSIS

The objective of this thesis will be to investigate the research questions listed below, and to propose career paths for Unrestricted Line Officers, which accommodate the Financial Management subspecialty. The career paths will be designed to protect the competitiveness of Unrestricted Line Officers towards their goal of Command, while developing financial management skills required for future financial management assignments. By developing a "plan" for managing the career paths of these officers, the Financial Management subspecialty can attract highly motivated and competitive Unrestricted Line Officers. The proposed career paths will incorporate the core requirements already existing in the career path for Unrestricted Line Officers. These requirements will be accommodated in a manner that will provide for maximum utilization of the Financial Management subspecialty in the officer's future shore assignments.

E. RESEARCH QUESTIONS

The objective of this thesis will revolve around the incorporation of the Financial Management subspecialty, into the existing or modified career paths of Unrestricted Line Officers. Specific questions of interest, addressed towards the accomplishment of the objective include;

1. What is the process for determining which billets in Department of the Navy (DON) require financial management P-Codes or Q-codes?

2. How can the DON financial management billets best be categorized as to low, intermediate and high skill levels, in order to facilitate matching manpower abilities to job requirements?

3. How are the optimum numbers of unrestricted line officers, required for input into the financial management career paths determined?

4. What is the impact of specializing in the area of financial management shore duty assignments on the Unrestricted Line Officer's future promotion opportunities?

5. What is the optimum career path, leading to Command, for Unrestricted Line Officers with the Financial Management P-code or Q-code?

II. FRAMEWORK

A. Methodology

The methodology used to collect research data and answer research questions was divided into three major phases;

1. Publications and records review: conducted utilizing the Naval Postgraduate School library, the Defense Logistics Studies Information Exchange, and sources in the Office of the Assistant Secretary of the Navy for Financial Management, and the Office of the Chief of Naval Personnel.

2. Interviews: conducted with key personnel involved with financial management in the Department of the Navy. A list of interview questions is provided in Appendix A.

3. Data collection: conducted utilizing the computer data banks within the Bureau of Naval Personnel in Washington, D.C.

The first two phases of research consisted of an in depth look at all available books, studies, publications and records dealing with the fundamentals of financial management related jobs and requirements in the Navy, the financial management billet determination process, and the current Naval officer career paths. This effort was enhanced by several interviews which added both insight and depth to the analysis. The research attempted to establish the "need" for the Financial Management subspecialty across the spectrum of financial related billets within the Navy. Once the "needs" were established, the current career structures of Unrestricted Line Officers were reviewed to determine where time existed to

accommodate the financial management billets. The needs and time slots were then evaluated in an attempt to identify where the "best match" could be made between jobs and experience levels requirements. This matching process became the basis for proposing specific career paths to facilitate effective and efficient billeting of Financial Management subspecialty coded officers.

Figure 2 provides a graphical representation of the research "flow" process involved in the first two phases.

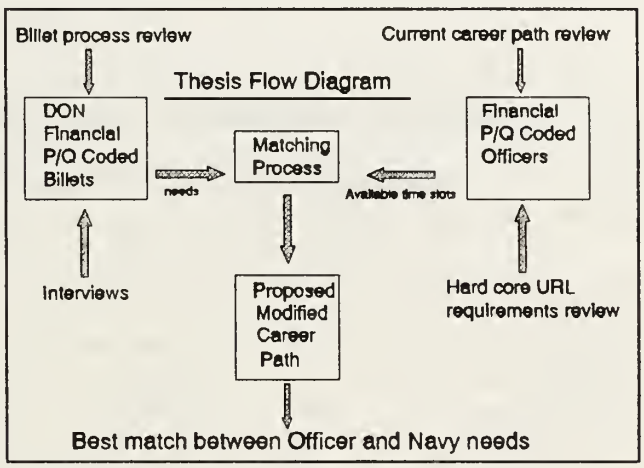


Figure 2

The final phase involved extensive data collection and analysis in an effort to quantify the impact on the Unrestricted Line Officer of possessing the Financial Management P/Q code. This phase involved a review of promotion data over the past ten years to determine if those officers with Financial Management P/Q codes experienced promotion opportunities comparable to three sample populations of officers:

1. Those officers who did not possess any P/Q code.

2. Those technically oriented officers possessing either the Aerospace Engineering, Naval Systems Engineering, or Anti-Submarine Warfare P/Q codes.

3. Those non-technical oriented officers possessing either a Manpower and Training, Political Science, or an Intelligence P/Q code.

Comparison of financial management P/Q coded promotion statistics to all active P/Q codes in the Navy was beyond the scope of this Thesis. The two populations, Technical and non-technical were taken in an effort to provide an interesting contrast to the financial management subspecialty coded officer promotion results.

B. FINANCIAL MANAGEMENT REQUIREMENTS

1. Understanding the Subspecialty Code Process

In 1958, Senator J.W. Fulbright was quoted in the 14 September issue of the *New York Times*, on the importance of advance education. (Bupers, 1965)

> "Badly as we need scientists and linguists, we even more badly need people who are capable of evaluating the work of scientists and of making the enormously complicated decisions, which are essentially political decisions, that are called for if we are to adjust our policies and our life to scientific progress".

The need for advanced education, highlighted by Senator Fulbright, was not lost on the Navy. In order to develop a corp of officers possessing the education and experience required for future operations, the subspecialty system was developed. The subspecialty is a significant qualification, in

addition to the unrestricted line officer's primary specialty.[4] The subspecialty is developed through a combination of formal education (usually Naval Postgraduate School), training and experience on the job. (Bupers, 1965) The Navy policy concerning subspecialty education dictates that officers will be educated to the minimum level necessary to satisfactorily perform his/her job. (Heidt, 1984) This usually translates to a Masters level education. Although Doctoral requirements for subspecialist do exist, they will not be addressed in this thesis.

The subspecialty system allows for "coding" of a billet or officer. In regards to the billet, the code identifies a particular expertise required by the billet which is achieved through education (P-code) and/or experience on the job (Q-code). The area of primary specialization in the billet is identified by the designator code, for example, surface, subsurface or aviation qualified officers. The subspecialty code is applied to billets where additional qualifications beyond those of the primary designator are required. When referring to the individual officer, the subspecialty code identifies the officers who have acquired the advanced education, functional training, or experience level required by a billet. The code indicates an area or

---

[4] For officers, the Primary specialty designator establishes billet requirements or personal qualifications in a warfare specialty, either surface, subsurface or air.

field of qualification which is secondary to the officer's primary warfare designator. (Heidt, 1984)

Each subspecialty code is made up of four numbers and a letter suffix (NAVPERS, 1990):

1. The first and second numbers of the code indicate broad "functional fields". Nine technical and managerial codes, 10XX through 90XX, exist to show the requirement to have background experience in a functional field. For Unrestricted Line Officers these fields apply only to the grades of Lieutenant Commander to Captain. When located on billets, these codes show a need for an officer with background in the particular functional field, in addition to the skill and educational levels indicated by the remainder of the subspecialty code. When recorded as a part of an officers qualification, the functional field indicates training, education or experience in the field.

2. The third and fourth numbers show a required skill or education necessary for a billet. For Unrestricted Line Officers, some 58 skill/educational field codes exist between XX10 and XX9X.

3. The letter suffix defines the level of education or experience in the skill/education field required by the billet.

Figure 3 is an example of how the subspecialty code system works. (SRB Handbook, pg 3).

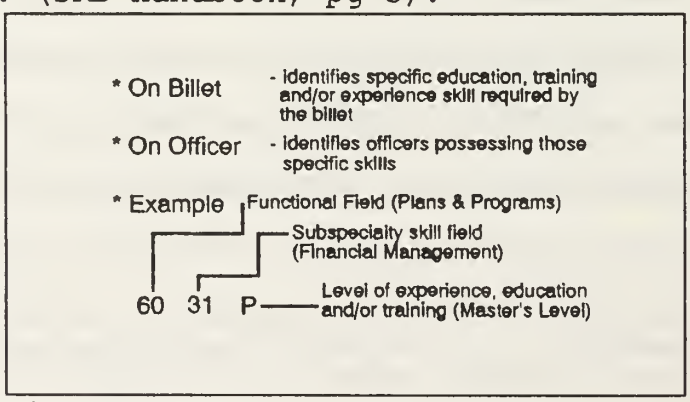

* On Billet
- Identifies specific education, training and/or experience skill required by the billet
* On Officer
- Identifies officers possessing those specific skills
* Example
Functional Field (Plans & Programs)
Subspecialty skill field (Financial Management)
60 31 P
Level of experience, education and/or training (Master's Level)

Figure 3

2. Financial Management P and Q Coded Billets

This section of the thesis will examine the process for determining which billets in the Department of the Navy require P-codes or Q-codes. Currently in the Department of the Navy, 668 billets for Unrestricted Line Officers are financial management, of which only 402 are coded "xx31-P" or higher.[5](Gumbert, 1991) The financial management P/Q experience coded billets require the following :

- P-code: Requires a Master's level degree from the Naval Postgraduate School approved Financial Management curriculum. Degrees from other institutions can be considered, but final approval authority rests with the Primary Consultant (OP 82). The degree requirements include a knowledge of theories, concepts, and procedures associated with financial management. Satisfaction of this requirement will result in the Financial Management P-code "xx31-P".

- Q-code: Requires that an "XX31-P" coded officer, has previously served at least one satisfactory experience tour, lasting at least 18 months, in a financial management billet. In addition, expert knowledge of the programming process, the ability to expertly manage budget issues and the ability to brief superiors are also required. Satisfaction of this requirement will result in the financial management Q-code "xx31-Q".

The number of financial management P/Q coded billets required in the Department of the Navy varies from year to year. However, as Figure 4 indicates, the trend is clearly upward. (SRB Handbook,pg 9)

---

[5] Only 345 are coded for graduate level education, the other billets are Q coded, or D coded for Doctoral level.

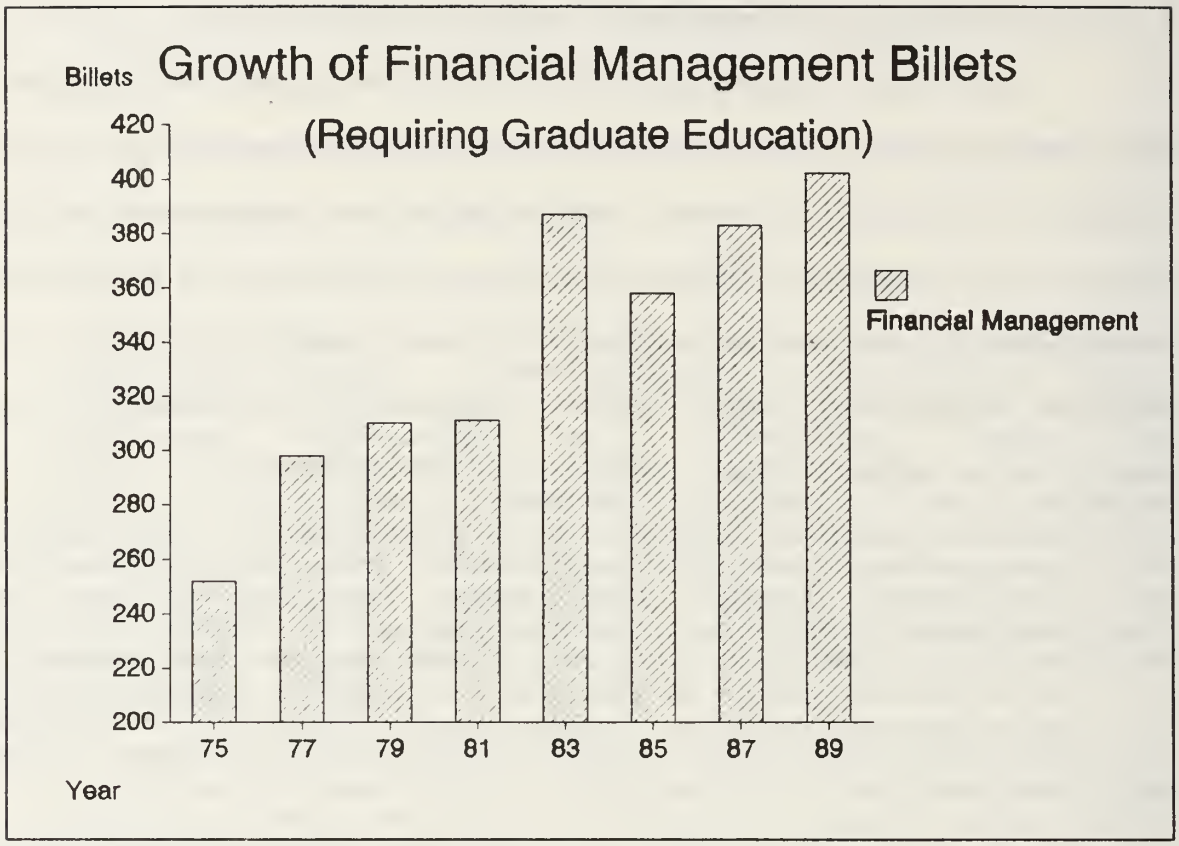

Growth of Financial Management Billets
(Requiring Graduate Education)
Billets
420
400
380
360
340
320
300
280
260
240
220
200
75
77
79
81
83
85
87
89
Year
Financial Management

Figure 4

A requirement to verify the total financial management billets is mandated by Congress and occurs every two years. The Subspecialty Requirements Board (SRB) convenes to review the entire graduate education billet criteria and requirements. (SRB Handbook, 1991) Essentially, all billets are "zeroed out" and placed back into the system only after they have been justified by the requesting unit or claimant. (Gutierrez, 1991) The "zero out and re-justification" process forces a critical review of all billets to determine (SRB Handbook, 1990):

- If billets in the same organization, performing similar missions have the same subspecialty skill requirements.
- If the billets requiring graduate education in fact justify the education, and that the educational level is the minimum necessary to perform the job.
- If any activity or unit has excessive subspecialty requirements which may indicate redundancy.
- Whether the end strength of the officers (numbers), and the community requirements (billets) are proportional to the designator and grade structure to support maximum utilization of subspecialty coded officers.

The above listing is by no means complete, however it does provide some insight into the purpose of the SRB board. Although the process may seem burdensome, it is in fact necessary due to the dynamic state of the Navy in consolidating, eliminating or creating commands.

3. Financial Management Billets

One of the questions addressed in this thesis revolves around the belief that the financial management jobs in the Navy can be categorized by skill levels (ie low to high). No data was found to indicate that this is presently done, although it can hardly be argued that it would facilitate the concept of "growing the skills within the community of Unrestricted Line Officers". In this regard, the newly acquired P-coded officer could be initially assigned to a low level billet, followed by an intermediate level billet, then to a high level billet. The result would be an officer with a strong foundation in the financial management field, better prepared and able to apply those skills to subsequent billets. In addition, this progression would provide the subspecialty coded officers with a planned commitment of career track support.

The concept of ranking various financial management jobs within the Department of the Navy, as to increasing skill/experience level requirements, appeared credible to the Assistant Secretary of the Navy for Financial Management, Mr McCormick. It was reasonable to assume that by billeting the officer through progressively more difficult jobs, the officer would perform more confidently and effectively. However, Mr. McCormick was quick to point out that several other attributes play in the assignment of any officer into any financial management billet. Among these were the officer's operational

experience, objectivity, and organizational and managerial track record in past jobs. (McCormick, 1991) His bottom line focused on the premise that the truly good officers will learn "on the job".

Vice Admiral Miller, former (OP-82), took a different stance on the topic. He was opposed to building any rigidity into the billeting system for Financial Management P/Q coded officers. Instead, he preferred to leave the matching process (officer to billet) to the ultimate discretion of the Command.[6](Miller,1991) The Command can assess the strengths currently available in the form of senior civilian employees and Military staff, and choose an officer for the billet who would complement the organization personnel. Consideration of previous assignments of the officer would not be the primary factor, but rather, the same attributes mentioned by Mr. McCormick would apply.[7] (Miller, 1991)

The concept of ranking financial management billets was addressed in a Master's Thesis involving 148 activity Comptroller billets. (McPadden,1983) The study involved

---

[6] By Command, Vice Admiral Miller refers to the senior officer occupying the head position of the parent organization. For example, the choice would be left to the Captain (0-6), in the position of Commanding Officer of Naval Base Norfolk.

[7] The personal experience of Vice Admiral Miller supports Mr. McCormick's assertion that the truly good officers will learn on the job. Vice Admiral Miller assumed the position of OP-82, without the benefit of a Financial Management P/Q code (he possessed an Operations Analysis P-code). In his words, " I had to burn the midnight oil to learn the job..."

ranking the Comptroller billets by paygrade, required education and experience. The parent Commands were then ranked by overall command characteristics, and an attempt was made to draw some correlation between the billet requirements and the organizational importance to the Navy of their Command. (McPadden, 1983) The study made the assumption that those officers with greater education and experience would be assigned to more difficult jobs, than those less qualified. The study did not find any exact formula to assess the paygrade (rank) requirements of financial management officer billets. Instead, the complexity of the tasks, the command's organizational level, and the paygrade levels of both subordinates and superiors were found to be the driving factors. (McPadden, 1983)

In conclusion, the study found that the Comptroller talent was in fact not evenly distributed throughout the Navy. Some commands seemed to have officers who were underqualified, while others had officers who were overqualified. The main reason behind the uneven distribution, points to the Navy's practice of yielding to the perceived needs of the local Commanding Officers. Aggressive Commanding Officers tended to ask for, justify and receive the more quailified Comptrollers. As a result, the Comptroller billets have not developed evenly throughout the Navy, nor have they been standardized as to billet requirements. (McPadden, pg. 28-31)

The categorization of financial management billets by skill level is not done. Some analysis of job complexity, although admittedly difficult, might allow for such a structure and is proposed for further study. Research into the subject indicates that the financial management billets for Unrestricted Line Officers are in fact organized as to paygrade and P or Q code requirements. A partial listing of Unrestricted Line Officer financial management billets was obtained from the Office of Financial Management Subspecialties (NMPC 440). The listing was subdivided into billet levels, as to paygrade and subspecialty code requirements, for future use in the "matching" process between officers and billets. Figure 5 is an example of **Level One** financial management related jobs for officers heading to their first assignment. A listing of **Level Two** and **Level Three** assignments is provided in Figures 6 and 7.

Level One Financial Management Billets

	Title	Activity	Rank	Code
*	01D- Assoc Compt for Plng CBT S	NSESYSCOM Wash	Capt	P
*	Executive Asst	Asst SECNAV FINM	Capt	P
*	Mgmt Professor	NWARCOL NPTRIPMT	Capt	P
*	Special Asst For Admin/Fin Mgm	DONSO AAUNSECNAV	Cdr	P
*	Asst Appr. Matters Office	DONSO AAUNSECNAV	Cdr	P
*	Fin Mgt Officer Nif	DONSO AAUNSECNAV	Cdr	P
*	Fin Mgt Officer Apn	DONSO AAUNSECNAV	Cdr	P
*	Fin Mgt Officer RDTE	DONSO AAUNSEVNAV	Cdr	P
*	Fin Mgt Officer OPN	DONSO AAUNSECNAV	Cdr	P
*	Comptroller	NCTSI San Diego	Lcdr	P
*	Asst Programs Officer	CINCPACFLT	Lcdr	P
*	Budget Officer	COMNAVAIRLANT	Lcdr	P
*	Comptroller	NAS Brunswick	Lcdr	P
*	Comptroller	NAS Moffett Fld	Lcdr	P
*	ED TRA PLA GEN/OP-120C3	OPNAV	Lcdr	P
*	HD Program Coord & Eval	COMNAVSPACECOM	Lcdr	P
*	HD Future Plans & Progs	CINPACFLT	Lcdr	P
*	POM Development Officer	CINCPACFLT	Lcdr	P
*	Deputy Compt	NAVORDSTA LVIL	Lcdr	P
*	Comptroller	NAS North Island	Lcdr	P
*	NAVRES Analyst	DEPT NSTAFOF/RPN	Lcdr	P
*	Comptroller	NSUPFOANTARCTICA	Lcdr	P
*	Comptroller	NAS MIRAMAR	Lcdr	P
*	Comptroller	NAS Chasefld	Lcdr	P
*	OP-111G1 HD SPEC Warfare	OPNAV	Lt	P

Figure 5

Level Two Financial Management Billets

	Title	Activity	Rank	Code
*	Pers Mpw Mgt /OP-801D HD Mpr	OPNAV	Cdr	Q
*	OP-117D HD Budget Analyst	OPNAV	Cdr	Q
*	OP-120C HD Prog /BG Mpwr/Pers	OPNAV	Cdr	Q
*	OP-120D HD POM/ Budget Coord	OPNAV	Cdr	Q
*	OP-120E HD Trng Prog/Budget	OPNAV	Cdr	Q
*	COMP/OP-13G/HD Mpn Exectn/Moni	OPNAV	Cdr	Q
*	Cmd Mgt Dir/Dep Dir Mgmt Supp	COMNAVSPACECOM	Cdr	Q
*	HD Fin Mgmt BE N02F1	CINCLANTFLT	Cdr	Q
*	AW Rsch/OP-801K SA Air Warf A	OPNAV	Cdr	Q
*	Resource Plng	CNATRA	Cdr	Q
*	OP-985E POM Analyst	OPNAV/RPN	Cdr	Q
*	Comptroller	NAS Oceana VA	Cdr	Q
*	Exer Prog Mgr	JNTSTF JCS Wash	Cdr	Q
*	Def Force/Cost Analyst	JNTSTF JCS Wash	Cdr	Q
*	Comptroller/ Logistics	NAVCRUITCOM Wash	Cdr	Q
*	Comptroller	NAEC Lakehurst	Cdr	Q
*	PGM Mgr Wepsys	CNAVCOMTELCOM Wash	Cdr	Q

Figure 6

Level Three Financial Management Billets

	Title	Activity	Rank	Code
*	OP-940E Hd Fin Mgmt Bran	OPNAV	Capt	Q
*	Asst Director NCB/OP-92	DONSO AAUNSECNAV	Capt	Q
*	HD Appropr Matters Officer	DONSO AAUNSECNAV	Capt	Q
*	Dep Dir Investments/Dev	DONSO AAUNSECNAV	Capt	Q
*	01D-Assoc Compt For Plng CBT S	NSESYSCOM Wash	Capt	Q
*	Comptroller	SPAWARHDQTRS	Capt	Q
*	Fleet Comptroller	CINCLANTFLT	Capt	Q
*	Comptroller	PTSMH NSYD PTSMTH	Capt	Q
*	Comptroller	NORVA NSYD PTSNV	Capt	Q
*	Comptroller	MARE I NSYD VALL	Capt	Q
*	Comptroller	P SND NSYD BREM	Capt	Q
*	Dep Dir R&D Prog and Budg	Asst SECNAV RE&S	Capt	Q
*	934-Dir Flt Mod Prog Fin/Compt	NSSC OP SUPFDWAS	Capt	Q
*	Comptroller	COMNAVAIRLANT	Capt	Q
*	Comptroller /Force Rsc Mgr	COMNAVAIRPAC	Capt	Q
*	Comptroller	NSYD LONG BEACH	Capt	Q
*	Comptroller	CNAVBASE NORVA	Capt	Q
*	Comptroller	PG SCH MONTEREY	Capt	Q
*	N-6C Asst For Mgmt & Support	CNAVMILPERC WASH	Capt	Q
*	P&P Dir/OP-08F SA Financial	OPNAV	Capt	Q
*	P&P CH OP-801 HD Prog Plns & D	OPNAV	Capt	Q
*	OP-120 HD Prog Dev & Coord	OPNAV	Capt	Q
*	OP-03 Dir Surf W/F and Bdgt Di	OPNAV	Capt	Q
*	P&P Dir/OP-433 HD Prgm & Bdgt Coord	OPNAV	Capt	Q

Figure 7

4. Meeting the Needs of the Navy

The most recent memorandum on the status of the Financial Management subspecialty indicated a graduate education officer inventory of 620, well short of the 900 required to support the subspecialty.[8] The current shortfall resulted in only 69% of the required inventory actually being achieved. This raises the question as to how the optimum numbers of officers, required for input into the financial management subspecialty is determined.[9] As previously discussed in the scope and limitation portion of this thesis, the numbers pertaining specifically to Unrestricted Line Officers are of primary interest, although the question can be extrapolated to other officer groups.

Research into the question revealed that there is in fact a plan in place to determine the required numbers by grade, designator and subspecialty. The plan uses a Postgraduate Education Quota Model developed in 1975 to determine the Postgraduate School input requirements. The model is run annually on billets validated through the SRB. It is an attempt to smooth out the flow of officers through the

---

[8] The Health of Subspecialties report is an attachment to the Financial Management (XX31) Subspecialty memorandum prepared by the Assistant Director for the Fiscal Management Division, Office of the Chief of Naval Operations. (Gumbert, 1991)

[9] Entry of the officer into the financial management career path assumes graduate education (primarily Naval Postgraduate School) as a starting point. Completion of this academic requirement provides the necessary P-code for initial billeting.

program, thereby avoiding large student input fluctuations. (SRB Handbook,1991)

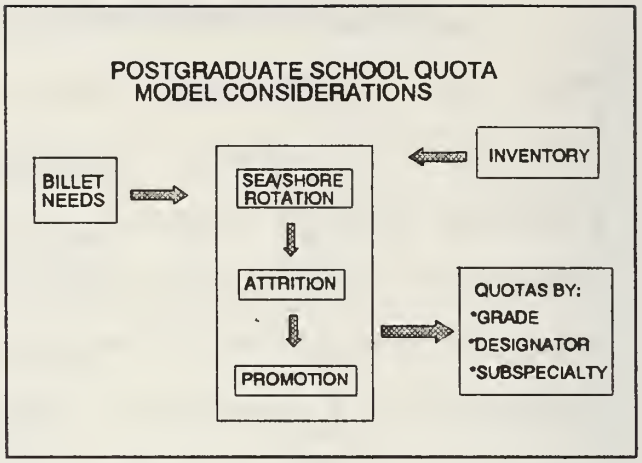


Figure 8

Figure 8, adapted from the Fiscal Year 91 SRB Handbook, is a graphical representation of what the quota model does. The model produces as its output, graduate education curriculum quotas by officer grade (rank), designator (unrestricted line surface, subsurface or air) and subspecialty (ie Financial Management). To accomplish this, two data input sources are used, the Automated Officer Master File and the Officer Billet File. Together, these sources provide the current inventory of subspecialty coded officers (Inventory) and the current billet requirements (Billet Needs). (SRB Handbook,1991) The model then takes into account three key factors:

1. The sea/shore rotation of the officer as it impacts the continuous filing of the p-coded billet with qualified officers.

2. The predicted attrition of officers from the subspecialty.

3. The promotion of officers as it impacts on which billets the officer may fill.

The model is fully capable of determining the optimum numbers of Unrestricted Line Officers for input into the financial

management subspecialty, to ensure all required billets are filled. However,the model makes two key assumptions that when violated, help to explain the chronic shortfall in the inventory level of Financial Management P/Q-coded officers. The assumptions are: (1), that all quotas generated will be filled on time (ie., no gap in placing a qualified officer into the billet) and (2), that P/Q-coded officers will be used at every opportunity.(SRB Handbook, 1991)

The problems associated with the model's assumptions are best addressed in terms of officer utilization. The key to understanding any shortfalls in matching inventories to needs, lies in understanding the true nature of a subspecialty to an Unrestricted Line Officer. Subspecialty billeting is a secondary consideration in the assignment of an officer and is therefore subject to being overridden by more pressing "needs of the Navy". This issue was addressed by Patrick Shepard in his thesis, where he quoted form the Bureau of Naval Personnel (Officer Distribution Division), *The Officer Personnel Newsletter*, June 1968, page 4. (Shepard, pg. 33)

> Occasionally an officer is well qualified for many jobs, and although a particular assignment at this point in his career has much more to offer in the way of professional development, the realities of "service needs" may dictate another assignment.

This condition, can act to prevent an officer from entering the financial management career path at the graduate school level or from utilizing his/her subspecialty following graduate school. The results are that financial management

P/Q-coded billets are not necessarily filled on time nor are they filled with a qualified P/Q-coded officer at every opportunity.

The topic of subspecialty utilization is important enough to the chain of command to warrant a semi-annual report to the Deputy Chief of Naval Operations (Manpower, Personnel and Training OP-01). (Emery, 1991) The report is meant to be a "snapshot in time" on the ability of the subspecialty to facilitate the management of subspecialty qualified officers. The report is broken down into three Tabs, of which Tab A reflects the utilization of officers in subspecialty coded billets.(Emery,1991)

Figure 9 provides the financial management billet data for the most recent report dated 22 April 1991. The table is meant to show how well the Navy is filling subspecialty coded billets and uses the following terminology (Emery,1991):

Summary of Subspecialty Billet Fills
(Financial Management XX31)

Direct Fills	Related Fills	Total Qual'd Fills	Non Qual'd Fills	Total Fills	Total Billets	Percent Qual'd Fills
263	86	349	152	501	542	64.4%

Figure 9

- Direct Fill - the total number of financial management P-coded officers in financial management P-coded billets.
- Related Fills - the total number of financial management billets with officers having a related subspecialty (ie XX33-P in an XX31-P billet).

- Total Qual'd Fills - the total of direct and related fills.
- Non Qual'd Fills - the total number of financial management billets filled by officers having no subspecialty or an unrelated subspecialty.
- Total billets - total of graduate, experience and training coded billets only.
- Percent Qual'd Fills - represents the total number of billet fills with either a direct fill or related fill.

Figure 9 indicates that although the optimum levels of unrestricted lines officers in the financial management career path can be predicted, the true challenges lie in the billeting or utilization of the officer subspecialists.

III. CURRENT UNRESTRICTED LINE OFFICER CAREER PATHS

A. Background

The ***American Heritage Dictionary*** defines a career as a chosen pursuit; a path or course of an individual's work in life. For the Unrestricted Line Officer, the chosen career path also includes a goal of Command, whether of a ship, submarine, or air squadron. The process in which an officer achieves the goal of Command, includes a sequential series of required education, training and billet assignments. Unlike the Navy of yesterday, where career paths leading to Command were simple to understand, today's complex requirements necessitate a more structured path to navigate the road leading to Command. The career path structure accomplishes this while serving two main purposes. First, it allows the officer to gain fundamental knowledge in his/her primary specialty area, in an incremental manner. Thus the officer is less likely to be overwhelmed by the complex environment in which he/she is to function. Second, the structure allows continuous evaluation of an officer' performance and aptitude for increased responsibility. This evaluation process is performed by senior officers who have successfully served in the billets (or similar billets) under review.

The complexity of the demanding career path process for surface and aviation officers is emphasized in the following quote (Rezin, 1976):

> To reach the position of Commanding Officer of a surface vessel in the grade of Commander, a typical officer will have been examined by a minimum of nine boards, including statutory boards for rank and administrative boards for Command, postgraduate school, etc., in addition to having passed a rigorous and practical examination for Command. At each screening point those officers not having passed the usual number of milestones are in a weaker position than their contemporaries, their performance not withstanding.
>
> Aviation officers are counciled with specific guidance for in-grade billets such as: three basic tours are desirable in the grade of Commander: a CO tour resulting from board action, an afloat staff or ship tour where a Flag Watch Officer or CDO qualification can be attained, and a Washington tour if qualified and the individual has had no previous tour in Washington.

This chapter will examine the present career paths of unrestricted line officer's. The mandatory requirements (critical milestones) in each career path leading to Command will be identified and grouped, in order to highlight the remaining time slots in each career path available for financial management related billets.[10]

---

[10] It should be noted that in all cases (surface, subsurface and air), satisfying the requirements for Command and actually being selected for Command are two entirely different things. Each officer must be chosen by a Command Selection Board of his own community. However, no officer will be competitive for selection without satisfying the community's required milestones.(Bupers, 1990)

B. Surface Officer Career Paths

The conventional Surface Unrestricted Line Officer community is composed of those officers possessing the designator (111X). (Bupers Career Guidebook, 1990) These officers have as their duty, the responsibility to operate and ultimately Command the surface ships in the Navy. Surface officers who are in training to obtain the (111X) designator, are tracked using the designator (116X). The goal of any surface unrestricted line officer is to achieve Command at sea. This goal is the primary driver in determining the career path requirements for the officer. In this regard, the career path is designed to build specific and fundamental knowledge in the disciplines characteristic of shipboard operations. These "shipboard" disciplines include: engineering, operations, weapons systems, navigation and tactics. In addition, since surface officers can be billeted to several different classes of warships during the course of a career, officers are required to become familiar with the various ship classes in the U.S Navy.

In order to ensure that the officer obtains the necessary billets and qualifications enroute to Command, certain mandatory requirements, hereafter know as milestones, must be accomplished. Figure 10 outlines the key milestones critical

for the success of surface Unrestricted Line Officers.[11] The starting point for the surface officer is the attainment of the 111X designator, indicating satisfactory completion of the Surface Warfare Officer (SWO) qualification. This milestone is usually accomplished within 24 months of arriving at the first sea tour, which normally lasts up to three years. During this time, the officer fills Division officer billets in specific shipboard departmental disciplines, while continuously being exposed to other shipboard disciplines. Failure to acquire the SWO qualification will prevent the officer from being selected for Department Head School (DHS). Only by maintaining superior performance and achieving the SWO qualification, will the officer be considered for surface warfare jobs of increasing responsibility. (Peck, 1988) The March 1990 issue of ***Perspective*** stated the requirement as follows:

CRITICAL SURFACE MILESTONES

Billet	Required Qualification	Timeframe
Division Officer	Surface Warfare Qualification	First Sea Tour
Department Head	Tactical Action Officer	Second Sea Tour
Executive Officer	Command Qualified	Third Sea Tour

Figure 10

> Surface Warfare Officer qualification is the direct responsibility of every surface warfare trainee and is the

---

[11] This is not to say that failure to achieve any particular milestone (in order) will absolutely prevent an officer from achieving Command. However, the vast majority of officers who successfully attain Command, do so by satisfying these milestones.

initial milestone in a training and qualification process culminating in command at sea. (***Perspective***, 1990)

The next critical milestone occurs during the officer's tour in a Department Head billet. During this tour, the officer exercises increased responsibility in a primary discipline (ie operations), while being exposed to higher levels of responsibilities inherent in the other functional disciplines. The milestone that must be accomplished during this phase is the Tactical Action Officer (TAO) qualification. Failure to achieve this qualification will prevent the officer from being considered for Executive Officer.

The final milestone necessary for Command occurs during the Executive Officer tour. The milestone involves being designated, "Qualified For Command".[12] The May 1989 issue of ***Perspective*** described the Command Qualification as an obstacle that does not depend on the result of board action, but instead depends on the initiative of the individual officer. (Perspective, 1989)

At the Executive Officer point in the career path, the officer serves as the Commanding Officer's primary assistant in running the shipboard administration and operations, while attempting to obtain Command qualification. Constant exposure to all shipboard disciplines as well as close supervision by

---

[12] This qualification can be achieved by highly motivated officers at the Department Head level. However, it is required to be completed prior to completion of the Executive Officer tour.

the Commanding Officer, ensures that the officer's surface warfare skills are adequately honed for Command. Figure 11 depicts the current career path progression for Surface Unrestricted Line Officers. (Bupers Career Guidebook, pg. 22) It should be clear from Figure 11, that no two officers will necessarily follow identical paths in accomplishing the necessary milestones. It should also be noted that most billets which contain the requirement to achieve a milestone, also have required training enroute. This training is designed to facilitate the achievement of the milestone.

Once the milestone tours and applicable training have been identified, the task of separating out the remaining shore duty assignment opportunities can be accomplished. This separation is presented in Figure 12. The shore assignment opportunities will be categorized by zones, with "zone 1" being the first opportunity for the officer to be assigned to a billet outside their specific warfare area. This separation and categorization of shore assignment zones is necessary in order to identify those opportunities to enter and pursue the Financial Management subspecialty.

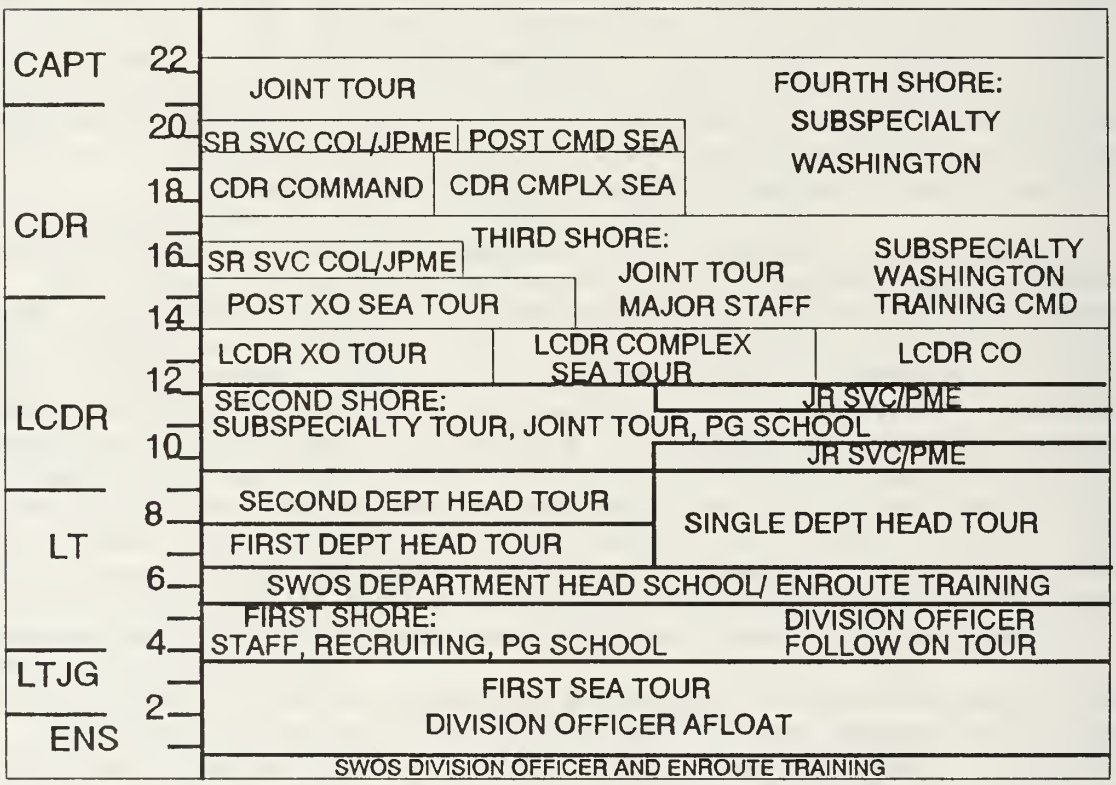

CAPT
CDR
LCDR
LT
LTJG
ENS
22
20
18
16
14
12
10
8
6
4
2
JOINT TOUR
FOURTH SHORE:
SUBSPECIALTY
WASHINGTON
SR SVC COL/JPME
POST CMD SEA
CDR COMMAND
CDR CMPLX SEA
THIRD SHORE:
SR SVC COL/JPME
JOINT TOUR
MAJOR STAFF
SUBSPECIALTY
WASHINGTON
TRAINING CMD
POST XO SEA TOUR
LCDR XO TOUR
LCDR COMPLEX
SEA TOUR
LCDR CO
SECOND SHORE:
SUBSPECIALTY TOUR, JOINT TOUR, PG SCHOOL
JR SVC/PME
JR SVC/PME
SECOND DEPT HEAD TOUR
FIRST DEPT HEAD TOUR
SINGLE DEPT HEAD TOUR
SWOS DEPARTMENT HEAD SCHOOL/ ENROUTE TRAINING
FIRST SHORE:
STAFF, RECRUITING, PG SCHOOL
DIVISION OFFICER
FOLLOW ON TOUR
FIRST SEA TOUR
DIVISION OFFICER AFLOAT
SWOS DIVISION OFFICER AND ENROUTE TRAINING

Figure 11

SURFACE SHORE ASSIGNMENT ZONES

Rank	Previous Tour	[1]Period	[2]Zone
Lieutenant	Division Officer	2 years	1
Lieutenant Commander	Department Head	2-3 years	2
Commander	Executive Officer	3.5 years	3

1. Period refers to length of shore assignment in zone. This does not include training enroute.
2. Zone designations assigned to facilitate subspecialty assignment.

Figure 12

The first assignment zone (zone 1) occurs upon completion of the officer's first sea tour, and lasts approximately two years.[13] Typically, the officer will enter one of three assignments (Bupers Career Guidebook, pg. 26):

1. Functional schools.
2. Naval Postgraduate School education.
3. Joint Professional Military Education.

None of the above choices are mandatory at this point in the career path. However, entry into the Financial Management curriculum at Naval Postgraduate School at this point would facilitate future subspecialty billeting. Obtaining Joint Professional Military Education and satisfactorily completing a Joint Tour is required prior to selection to Flag Officer rank in the surface community. As mentioned in the Scope and

[13] Note, this does not include the 6 months that will be required for completion of Department Head School, enroute to the officer's Department Head tour.

Limitations section of this thesis, this requirement will be fulfilled outside the 20 year career constraint.

The next shore assignment zone (zone 2) occurs upon completion of the officer's Department Head tour. The choices available to the officer are similar to those available during zone 1, with some exceptions. If Naval Postgraduate School was selected during the zone 1 tour, the requirement to fill a subspecialty billet normally occurs at this point. This requirement, when not overridden by more pressing "needs of the Navy", supports the Financial Management subspecialty requirements for those officers who entered the program in zone 1.

The third shore assignment zone (zone 3) occurs upon completion of the Executive Officer tour. Billets during this assignment zone fall into one of six categories (Bupers Career Guidebook, pg. 29):

1. Operational Assignments.
2. Subspecialty Assignments.
3. General Unrestricted Line Billets.
4. Senior Service College Assignments.
5. Washington Duty.
6. Joint Duty

For officers with a Financial Management P/Q code, both subspecialty and Washington duty could be satisfied with

assignment to one of the financial management billets available in Washington.

C. Submarine Officer Career Path

The Submarine Warfare Community consists primarily of nuclear trained submarine officers who aspire to achieve Command of either fast attack (SSN) or ballistic missile (SSBN) submarines. Although there is a small population of non nuclear trained officers in the community, only the nuclear trained officers will be considered for this analysis.[14] The career structure for Submarine Unrestricted Line Officers is designed primarily to facilitate the necessary nuclear and submarine related qualifications, while building experience for the officer.

In order to ensure that all the necessary qualifications leading to Command are accomplished, certain milestones are laid out in the career structure of the submarine officer. (Bupers Career Guidebook, 1990) Figure 13 lists the milestones which must be completed if the officer is to remain competitive for Command in the community. The first two critical milestones for the officer occurs during the first sea tour, which is typically 36-39 months long. During this

---

[14] The last non-nuclear submarine, USS Bonefish has been decommissioned. With no future Command opportunities for non-nuclear trained officers, these officers are being advised to either change designators, or apply for the nuclear power program. (Bupers Career Guidebook, pg. 37)

timeframe, the officer must become Qualified in Submarine Warfare (112X designator).[15] This designation culminates the process which includes: qualification as Engineering Officer of the Watch, Diving Officer of the Watch and Officer of the Deck (inport, surfaced and submerged).(Bupers Career Guidebook, 1990) The second major milestone that must occur during this period is qualification as Engineering Officer of a nuclear powered submarine. This milestone is achieved by passing both a comprehensive examination at Naval Sea Systems Command (NAVSEA 08) in Washington D.C., and a series of in depth oral examinations. (Bupers Career Guidebook, 1990) Failure to accomplish either of these milestones will result in termination from the nuclear powered and submarine community.

CRITICAL SUBSURFACE MILESTONES

Billet	Required Qualification	Timeframe
Division Officer	Qualification in Submarines	First Sea Tour
	Engineering Qualification	First Sea Tour
Department Head	Command Qualification	Second Sea Tour
Executive Officer	Command Qualification [1]	Third Sea Tour

1. If not accomplished during the Department Head Tour.

Figure 13

The next critical milestone usually occurs during the Department Head tour. This milestone involves satisfying the requirement for "Command Qualification". The officer pursues this qualification while occupying a billet as:

---

[15] Officers in training for submarine warfare qualification temporarily hold the designation 117X. (Estabrooks, pg. 24)

- Engineer Officer
- Navigator/Operations Officer or
- Weapons Officer

Regardless of which billet the officer occupies, a sound knowledge of the other areas is required in order to satisfy the Qualified for Command requirement. (Bupers Career Guidebook, 1990)

The milestone requirement to achieve the designation, "Qualified for Command", is sometimes satisfied during the Executive Officer tour. It should be noted that selection for Executive Officer is highly competitive and completion of this requirement early can work to the officers advantage when his record is reviewed by the selection board. In the billet of Executive Officer, the officer serves as the primary administrative and operational assistant to the Commanding Officer. In this capacity, the officer receives an opportunity for close supervision and guidance towards the ultimate objective of Command.

Figure 14 depicts the current career structure for Submarine Unrestricted Line Officers. The career structure is similar to the surface structure in that no two officers will necessarily follow the same route to Command.

Examination of Figure 14, reveals certain shore assignment opportunities (zones) for the submarine officer. These shore assignment zones are summarized in Figure 15, to facilitate identifying those which would support entry into, and future

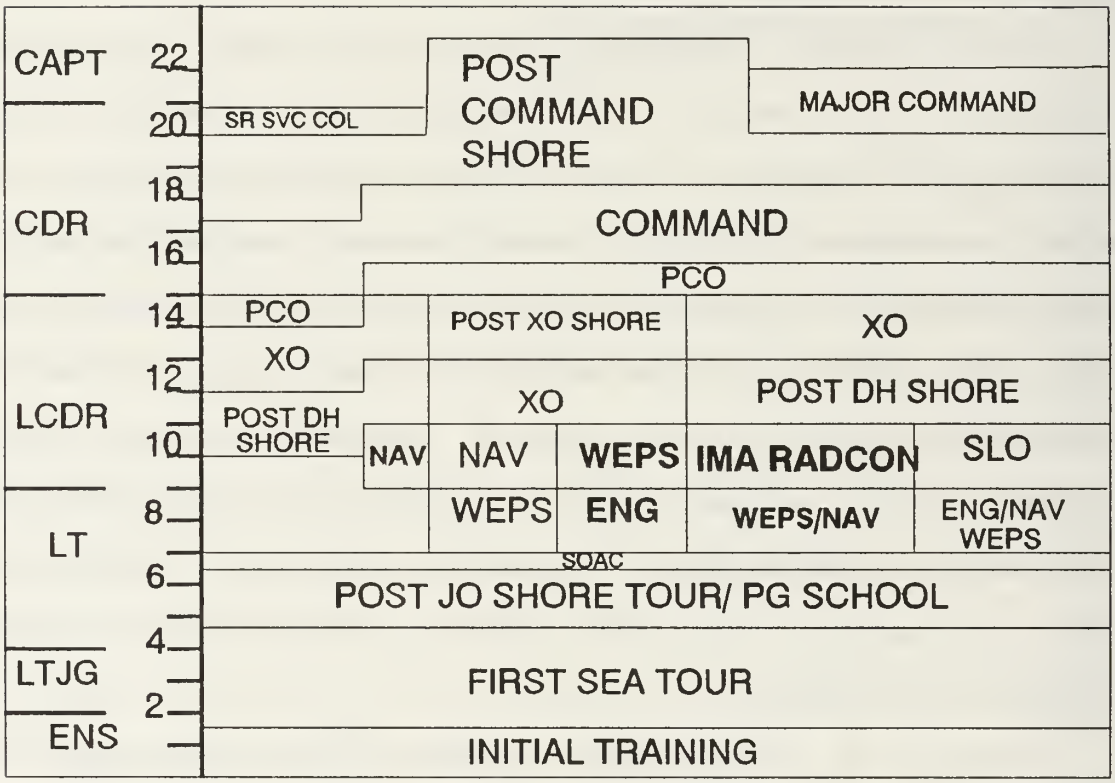

CAPT
CDR
LCDR
LT
LTJG
ENS
22
20
18
16
14
12
10
8
6
4
2
SR SVC COL
POST COMMAND SHORE
MAJOR COMMAND
COMMAND
PCO
PCO
POST XO SHORE
XO
XO
XO
POST DH SHORE
POST DH SHORE
NAV
NAV
WEPS
IMA RADCON
SLO
WEPS
ENG
WEPS/NAV
ENG/NAV WEPS
SOAC
POST JO SHORE TOUR/ PG SCHOOL
FIRST SEA TOUR
INITIAL TRAINING

Figure 14

assignment in the financial management subspecialty.

SUBSURFACE SHORE ASSIGNMENT ZONES

Rank	Previous Tour	[1]Period	[2]Zone
Lieutenant	Division Officer	2 years	1
Lieutenant Commander	Department Head	2 years	2
Commander	Executive Officer	2 years	3

1. Period refers to length of shore assignment in zone.
2. Zone designations assigned to facilitate subspecialty assignment.

Figure 15

The first assignment zone (zone 1) follows the officer's three year Division Officer tour. The priority billets which must be filled by the submarine community from this pool of officers includes billets at Nuclear Power School, Nuclear Prototypes, Submarine School, as well as submarine group and squadron staffs. (Bupers Career Guidebook, pg. 33) Other billets available after "meeting the needs of the Navy", include Naval Postgraduate School, the Naval Academy and NROTC units. Although entry into the financial management subspecialty during this zone is highly desirable, the nuclear related requirements take priority in this and future zones.[16] This is an area proposed for further study, to determine if nuclear related requirements in fact limit the number of Submarine Unrestricted Line Officers available for entry, and subsequent billeting to financial management related billets.

The second assignment zone, (zone 2) occurs after the officer's Department Head tour. This zone is approximately two

---

[16] This "fact of life" is compensated for by a financial bonus (Nuclear Power Bonus) paid to officers who agree to remain on active duty.

years in duration. Billets available during this include (Bupers Career Guidebook pg. 36):

- Squadron, Group and Type Commander Submarine related billets
- OPNAV billets (e.g., ACNO-Undersea Warfare)
- Billets in the Office of the Secretary of Defense and
- Billets in the Naval Military Personnel Command

Other billets exist for the officer, including the possibility for entry into the Financial Management curriculum at Naval Postgraduate School. In addition, officers who were able to enter the Financial Management subspecialty during zone 1 can utilize zone 2 to develop their subspecialty.

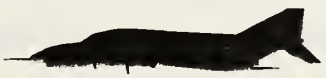
The third shore assignment zone (zone 3), occurs following Command. Unlike the surface career structures, the submarine career structures do not allow for three shore assignment zones prior to selection and assignment to Command. The zone 3 is ideally suited for subspecialty tours for those officers who entered the subspecialty during zone 2. In addition, those officers who entered during zone 1, have a second opportunity to develop their subspecialty during zone 3.

D. Aviation Officer Career Paths

The Aviation Warfare community exists to ensure adequate personnel are qualified and trained to support all aspects of naval aviation. The community consists of three groups of personnel, pilots, naval flight officers (NFO) and aviation

generalists.(Bupers Career Guidebook, 1990) Of the three groups, the pilots and NFOs constitute the majority, making up approximately one half the unrestricted line officer population in the Navy. (Bupers Career Guidebook, 1990) Only the pilots and NFOs will be analyzed in this thesis.

Figure 16 outlines the critical milestones necessary for the success of any naval aviator or NFO. For the pilot, being awarded the naval aviation flight wings, more commonly known as the "Wings of Gold", represents the single critical qualification necessary to continue along the path to Command.[17] Unlike the warfare qualification insignia earned in the surface and submarine communities, the pilot's aviation "wings" are earned while the officer is in a student status, and not assigned to a sea duty billet. Achieving this qualification marks the successful completion of between 12



CRITICAL AVIATION MILESTONES

Billet	Required Qualification	Timeframe
Aviation Student	"Wings of Gold"	Flight Training
Branch Officer/ Division Officers	None	First Sea Tour
Department Head	None	Second/Third Sea Tour
Executive Officer[1]	None	Fourth Sea Tour

1. For those officers who sucessfully screen for command during the Avaition Command Screen Board.

Figure 16

[17] Attainment of the "Wings of Gold" is synonymous with being designated 131X (for a pilot), or 132X (for an NFO). Prior to this, the officers maintain the training designators, 137X (NFO) or 139X (pilot). (Estabrooks, 1981)

and 18 months of arduous training.[18] All NFOs follow the same training path leading to receipt of the NFO flight wings, regardless of which aircraft they are finally assigned to. Failure of either the pilot or the Naval Flight Officer to receive their respective "wings" will result in separation of the officer from the Naval Aviation Community.

The next step along the career path, involves assignment to a Fleet Readiness Squadron (FRS). (Bupers Career Guidebook, 1990) It is in the FRS that the officer gains experience in fleet operational aircraft, prior to his first sea duty assignment. Following duty in the FRS, the officer receives orders to his first sea duty assignment. This assignment typically lasts three years, during which time the officer occupies billets as Branch Officer or Division Officer. In addition to the superior performance expected of the pilots and NFOs in the air, the officers must learn about the routines and missions of the squadron.

The second and third sea tours for the aviation officers entail filling either shipboard billets or squadron department head billets. The two sea tours occur sequentially, separated by a brief (six months) assignment to a FRS. In most cases

---

[18] The actual length of training for the officer is dependent on the type of aircraft the officer will ultimately fly. Students enter a common program at Pensacola Florida prior to branching off to various aircraft specific training grounds. The choice of which aircraft an officer will fly is predominately driven by the officer's class standing, upon completion of the common phase in Pensacola.

during the second sea tour, the officers will fill shipboard billets which include: Catapult Officer, Carrier Air Traffic Control (CATC) Officer, Assistant Strike Operations Officer, and Assistant Ship's Navigator. However, some officer will be assigned as Squadron Department Heads to fill shortages experienced in officers returning to sea for their third sea tour. The third sea tour is one of the most important tours for the aviation officer, as it usually involves assignment as a Squadron Department Head. Successful performance in this capacity is essential, as it immediately precedes the screening process for Aviation Squadron Command.

Figure 18 depicts the current career path for unrestricted line aviation officers. Although the specific path for any individual pilot or NFO may vary, the vast majority proceed along a facsimile of this career path.

Figure 18 reveals several shore assignment opportunities (zones) for the aviation officers. These zones are summarized in Figure 17. The first zone (zone 1) occurs following the officer's initial sea duty tour. At this point in the career path, the heavy demands of the Aviation Training Community

AVIATION SHORE ASSIGNMENT ZONES

Rank	Previous Tour	[1]Period	[2]Zone
Lieutenant	Branch Officer /Division Officer	3 years	1
Lieutenant Commander	Department Head	2-3 years	2

1. Period refers to length of shore assignment in zone.
2. Zone designations assigned to facilitate subspecialty assignment.

Figure 17

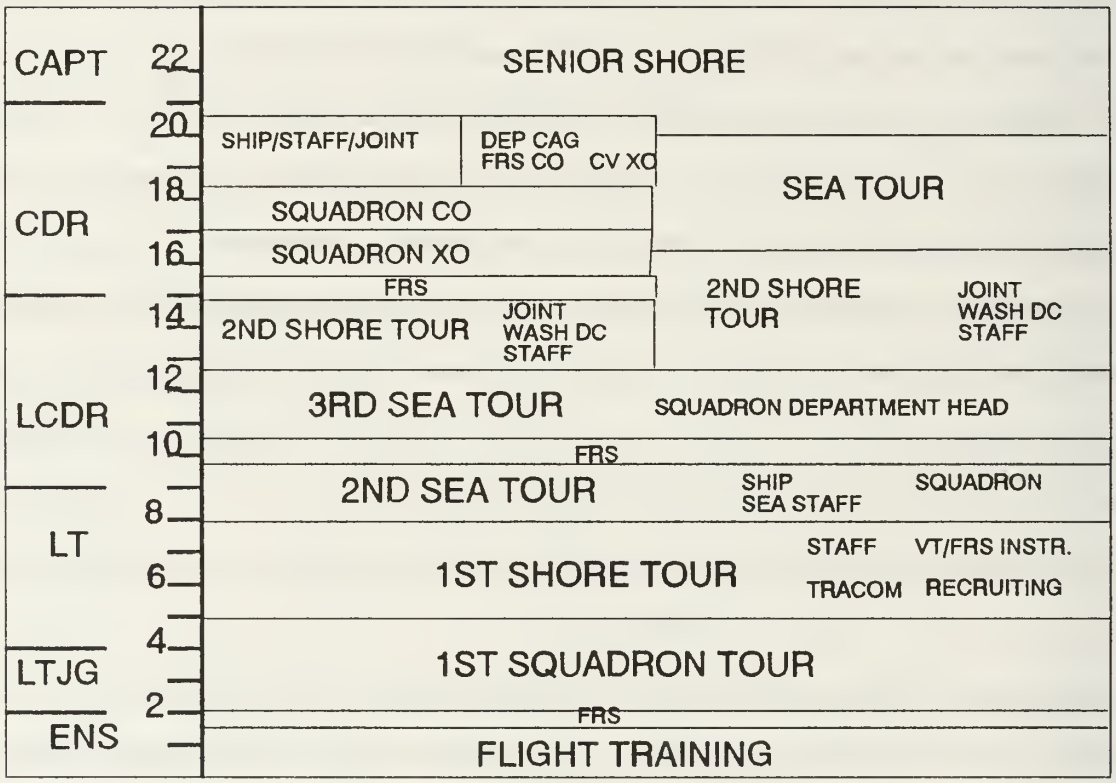

CAPT
CDR
LCDR
LT
LTJG
ENS
22
20
18
16
14
12
10
8
6
4
2
SENIOR SHORE
SHIP/STAFF/JOINT
DEP CAG
FRS CO
CV XO
SEA TOUR
SQUADRON CO
SQUADRON XO
FRS
2ND SHORE TOUR
JOINT
WASH DC
STAFF
2ND SHORE
TOUR
JOINT
WASH DC
STAFF
3RD SEA TOUR
SQUADRON DEPARTMENT HEAD
FRS
2ND SEA TOUR
SHIP
SEA STAFF
SQUADRON
1ST SHORE TOUR
STAFF
VT/FRS INSTR.
TRACOM
RECRUITING
1ST SQUADRON TOUR
FRS
FLIGHT TRAINING

Figure 18

dominate the billets available to the officer. (Bupers Career Guidebook, 1990) However, despite these "needs of the Navy" fill requirements, a significant number of officers are available for assignment to Naval Postgraduate School. Assignment to the financial management curriculum during this zone accommodates the process of sequentially developing the subspecialty skills during future shore assignments. The second shore assignment zone (zone 2) occurs upon completion of the third sea tour. The primary objective of this assignment zone is to allow the officer an opportunity to complete a joint/Washington tour, although billets exist for assignment of officers both to Naval Postgraduate School and to subspecialty billets.

IV. Proposed Career Paths

A. Introduction

This chapter will address the question: what is the optimum career path, leading to Command, for Unrestricted Line Officers with the Financial Management P/Q code?

The proposed alternative career paths must have two fundamental characteristics. First, the career path must be easily understood by the officer, since he/she will use the career path to chart out a course to Command. This characteristic also serves the purpose of supplying any prospective officers who might desire entry into the Financial Management subspecialty, with proof of a "plan" to manage their careers. Second, the career path must support completion of all milestones, inherent in a warfare community, required to achieve Command.

Clyde B. Derr discussed the topic of understandable career structures in his work entitled, ***A Theory and Research Instruments for Studying U.S. Naval Officer Careers.*** (Derr, 1977) In his work, Derr based his theories and research instruments on the premise that any career must be fully understood from the officer's viewpoint. He concluded that this understanding was necessary if the officer's motivation, retention and productivity was to be ensured. The proposed

alternative career paths presented in this chapter attempt to enhance the officer's understanding of his/her community's Unrestricted Line Officer career path.

In addition to being understandable, the proposed alternative career paths must also support completion of the necessary milestones leading to Command. Accomplishment of the milestones satisfies two primary needs: the needs of the officer and the needs of the Navy. This is consistent with the stated policy of the Navy, " to place officers in duty assignments and to provide necessary education and training which together meet, the needs of the service and the needs of the individual." (Bupers Career Guidebook, pg. 26) These two needs are not independent. In meeting the needs of the Unrestricted Line Officer aspiring to Command, the Navy will ensure an adequate pool of qualified officers necessary to man the billets along the way.

A review of the current Unrestricted Line Officer career structures for surface officers, submarine officers and aviation officers was presented in Chapter III. Each career structure possessed a moderate amount of flexibilty in the specific career paths available to any officer. The key observation underlying each of the career structures was that both the goal of developing (or growing) the Financial Management subspecialty skills, and the goal of achieving the requirements necessary for Command could be accomplished. Furthermore, they could be accomplished without the need for

modifications to the existing warfare community career structures. Subsequent sections propose specific alternative career paths for officer communities which ensure development of the Financial Management subspecialty, while leading to Command.[19]

B. Career Paths

1. Surface

The career structure for surface officers is reviewed twice each year by an Executive Committee (consisting of all SWO one and two star Admirals in the Washington D.C., area), the Surface Commander's Conference (consisting of OP-03 and the Type Commanders (TYCOMS)), and the Surface Board (consisting of all three star Admirals). (Perspective, March 1991) The function of all the boards is to review issues which impact on the careers of Unrestricted Surface Warfare Officers. Career path changes are based on the input of the fleet, tempered with TYCOM and in-house review. With the goal of Command as the focal point, streamlining efforts are undertaken to ensure that all requirements for Command are met, while accommodating subspecialty development and joint duty requirements. (Perspective, March 1991) Some of the more recent initiatives included minimizing the Division Officer

---

[19] This statement assumes tight control over the shore assignment billeting process during zones 1, 2 and 3, to ensure that the subspecialty officers are indeed billeted to financial management jobs in level 1, 2 and 3.

and Department Head split tours.[20] By accomplishing these modifications, additional time was freed in the career structure to accommodate subspecialty development and joint tour requirements. The important point to note, is that the career structure for surface officers is flexible. In this regard, an optimum career path supporting the financial management subspecialty, while leading to Command is entirely possible. Figure 19 outlines such a career path.

Figure 19 is tailored to meet both the needs of the surface officer in developing the financial management subspecialty and the needs of the officer in remaining competitive for Command. It is submitted that officers with both these qualifications in fact support the "needs of the Navy".

The career path begins by providing a 36 month initial sea tour during which the officer achieves the SWO qualification while serving in two separate Divisions onboard ship. The officer's superior performance during this tour is crucial both in achieving the SWO qualification and being selected for Department Head School. It is during this initial sea tour that a "full court press" should be undertaken to solicit and screen potential officers for entry into the financial management subspecialty. This can be accomplished by

---

[20] For example, a Division Officer would serve 30 months on one ship, vice 36 months on two different ships.

CAPT
22
JOINT TOUR
20
SR SVC COL/JPME
CDR
18
COMMANDER COMMAND TOUR (24 MONTHS)
16
LEVEL I I FINANCIAL MANAGEMENT BILLET (30 MONTHS)
14
POST XO SEA TOUR (18 MONTHS)
LCDR
12
LCDR XO TOUR (18 MONTHS)
10
LEVEL I (POSSIBLE LEVEL I I) FINANCIAL MANAGEMENT BILLET (24 MONTHS)
8
SECOND SEA TOUR
SINGLE DEPARTMENT HEAD TOUR (30 MONTHS)
LT
SWOS DEPARTMENT HEAD SCHOOL
6
LEVEL I FINANCIAL MANAGEMENT BILLET (18 MONTHS)
4
NPS FINANCIAL MANAGEMENT CURRICULUM (18 MONTHS)
LTJG
2
FIRST SEA TOUR
DIVISION OFFICER AFLOAT (36 MONTHS SPLIT)
ENS
SWOS DIVISION OFFICER AND ENROUTE TRAINING

Figure 19

personal correspondence with the officers and by informative articles outlining the career path in the professional magazine, ***Perspective***.[21]

The zone 1 shore tour is composed of two separate assignments. The first assignment (18 months) involves successful completion of the Financial Management curriculum at Naval Postgraduate School. This assignment is immediately followed by a tour (18 months) in a level one financial management billet (refer to Figure 5) . The desire to start the subspecialty development process as early as possible is consistent with the expressed belief by Rear Admiral Milligen (current OP-82), that the growing process should occur in the career path as early as allowable. (Milligen, 1991)

The second significant aspect of the career path is the single 30 month Department Head tour vice a split Department Head tour involving two separate ships. During the single tour, the officer should achieve the designation, "Qualified for Command", while sustaining performance that will ensure eventual screening for Executive Officer. Following the Department Head tour, the officer (a Lieutenant Commander at this point) is assigned to his/her second level one financial management tour for a period of 24 months. Serious consideration should be given to assigning the officer to a level two financial management billet (refer to Figure

---

[21] A good point of origin for this correspondence would be the office of OP 82.

6), despite the fact that the officer will not yet have achieved the required rank of Commander. This is considered to be in the best interest of the officer, who acquired a Q experience code during the zone 1 assignment.

The Executive Officer tour immediately follows the second level one or level two financial management shore assignment, and should last approximately 18 months. Following this tour, the officer is provided an opportunity to enhance his fleet operational experience during an 18 month operational staff assignment. The end result is a total of 36 months of operational experience in the rank of Lieutenant Commander, prior to selection for Command.

The zone 3 shore assignment opportunity follows, accommodating assignment of the officer (now a Commander) into a level two (possibly level three) financial management billet. This is also an optimum point for the officer to serve in a Washington D.C., financial management billet, if the officer has not already done so.

During the level two or three tour, the officer should be screened for Command. The career path, if followed, should have provided the officer with over eight years in which to accomplish the necessary milestones necessary for selection to Command. In addition, the officer will have spent over seven years developing the financial management subspecialty. [22]

---

[22] The joint tour requirements for the surface officer are slated to begin following the initial Command tour.

2. **Subsurface**

The career structure for submarine officers lacks the same degree of flexibility found in the surface community. The nuclear related requirements, limit the number of shore assignment zones (prior to command) to two. Despite the limitation of opportunities for subspecialty development, an optimum career path can be established. Figure 20 provides a proposed alternative career path, which supports the officer's Command requirements, while developing the Financial Management subspecialty.

This proposed alternative career path maintains the requirement for the officer to achieve the Submarine Warfare qualification (112X designation), and to successfully qualify as Engineering Officer during the 36 month initial sea tour. Following this initial sea tour, the officer utilizes his zone 1 shore assignment (18 month period) for entry into the Financial Management curriculum at NPS. Completion of the Financial Management curriculum sets the stage for future shore assignments into financial management level billets. The only such opportunity prior to Command is proposed at the eleven year point, following the officer's Department Head tour. At this point, the officer has reached the rank of Lieutenant Commander, and achieved the designation, "Qualified for Command". The zone 2 shore assignment allows entry of the

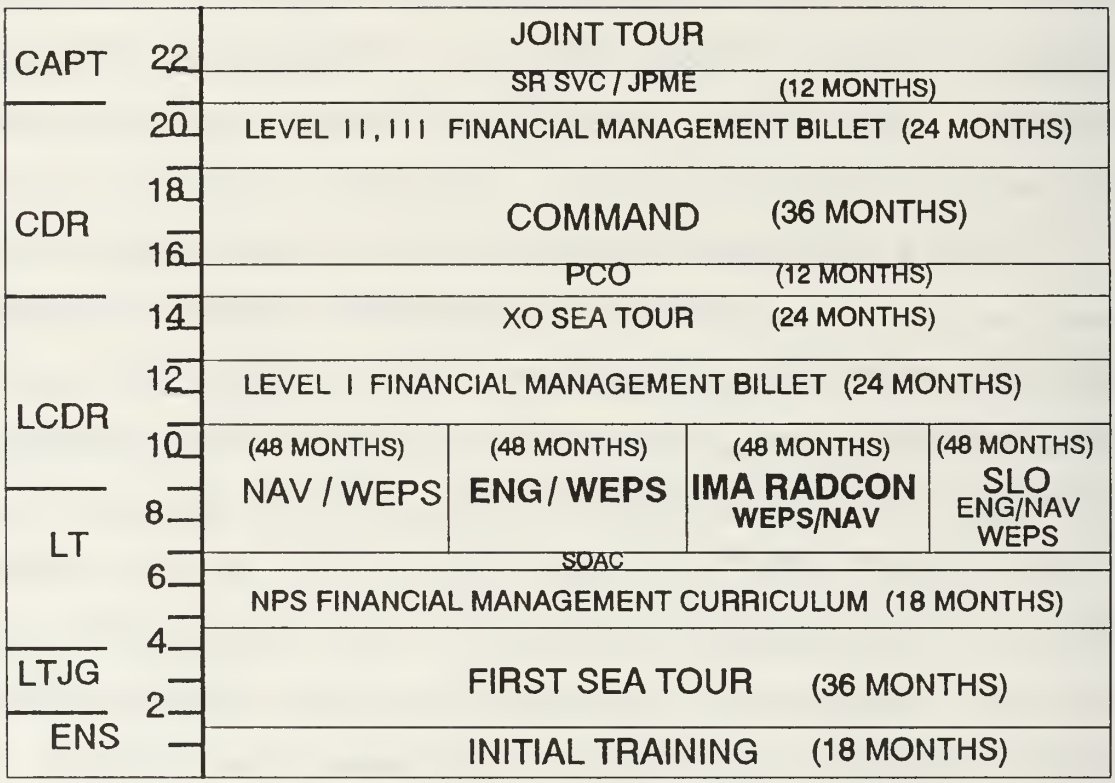

CAPT
22
JOINT TOUR
SR SVC / JPME (12 MONTHS)
20
LEVEL II, III FINANCIAL MANAGEMENT BILLET (24 MONTHS)
CDR
18
COMMAND (36 MONTHS)
16
PCO (12 MONTHS)
LCDR
14
XO SEA TOUR (24 MONTHS)
12
LEVEL I FINANCIAL MANAGEMENT BILLET (24 MONTHS)
10
(48 MONTHS) NAV / WEPS
(48 MONTHS) ENG / WEPS
(48 MONTHS) IMA RADCON WEPS/NAV
(48 MONTHS) SLO ENG/NAV WEPS
LT
8
SOAC
6
NPS FINANCIAL MANAGEMENT CURRICULUM (18 MONTHS)
4
LTJG
FIRST SEA TOUR (36 MONTHS)
2
ENS
INITIAL TRAINING (18 MONTHS)

Figure 20

officer into a level one financial management billet for a period of 24 months. The next sea duty tour involves assignment of the officer to an Executive Officer billet for 24 months. Successful completion of this tour culminates in the first Command opportunity for the officer at the 16 year point.

The proposed alternative career path for the submarine officer provides nine years for the officer to gain fleet operational experience, while obtaining the qualifications necessary for Command. The opportunity for development of the Financial Management subspecialty, prior to the officer obtaining Command, is limited to just over three years. This constraint is inherent in the nuclear submarine community and is due largely to the rigorous shore training requirements leading to Command.

3. **Air**

The career structure for the aviation community has less flexibility than the surface community, but more than the submarine community. The intense training requirements associated with the aviation community limit the shore assignment zone opportunities for subspecialty development to two. The proposed alternative career path for aviation officers operating under the above constraints is provided in Figure 21.

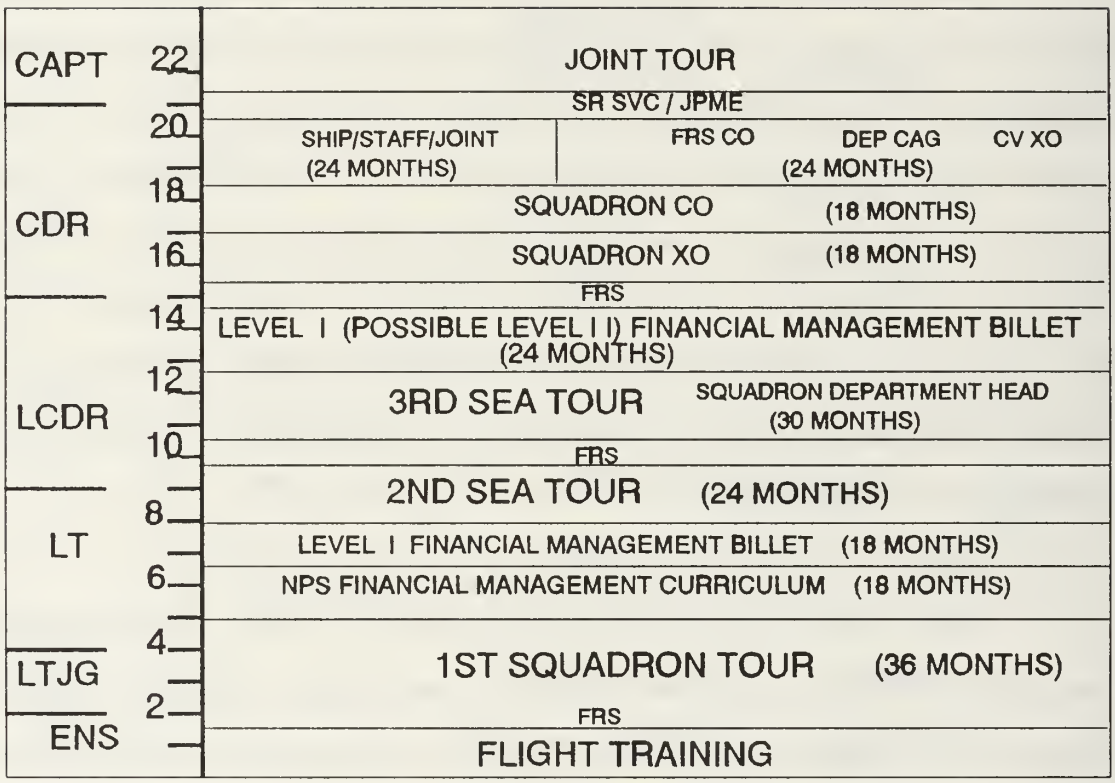

CAPT
22
JOINT TOUR
SR SVC / JPME
20
SHIP/STAFF/JOINT
(24 MONTHS)
FRS CO
DEP CAG
(24 MONTHS)
CV XO
18
CDR
SQUADRON CO
(18 MONTHS)
16
SQUADRON XO
(18 MONTHS)
FRS
14
LEVEL I (POSSIBLE LEVEL I I) FINANCIAL MANAGEMENT BILLET
(24 MONTHS)
12
LCDR
3RD SEA TOUR
SQUADRON DEPARTMENT HEAD
(30 MONTHS)
10
FRS
2ND SEA TOUR
(24 MONTHS)
8
LT
LEVEL I FINANCIAL MANAGEMENT BILLET
(18 MONTHS)
6
NPS FINANCIAL MANAGEMENT CURRICULUM
(18 MONTHS)
4
LTJG
1ST SQUADRON TOUR
(36 MONTHS)
2
FRS
ENS
FLIGHT TRAINING

Figure 21

The first phase of the proposed alternative career path maintains the same initial flight training and first squadron training found in the basic career structure. This training period (54 months) allows the officer ample time to achieve the "Wings of Gold" necessary to continue in the aviation community. During shore assignment zone 1 (36 months), the officer begins his subspecialty development by completing the Financial Management curriculum at NPS. This assignment is immediately followed by a level one financial management billet for approximately 18 months. This assignment process enables timely reinforcement of the classroom material while transforming the P-code into a Q-code.

The next 60 months are spent gaining fleet operational experience in two sea tours, separated by a brief six month tour in a Fleet Readiness Squadron (FRS). Following these assignments, the officer has his second opportunity to develop his Financial Management subspecialty. During this zone 2 shore assignment, the officer enters his second level one assignment. At this point, the officer is a Lieutenant Commander, with a financial management Q-code. Consideration should be given to billeting the officer to a level two financial management assignment, despite the fact that the officer will not have achieved the rank of Commander.[23]

---

[23] Recall that the level one financial management billets require only an educational P-coded officer, while level two and above billets require a Q-coded officer. The experience Q-code is obtained after successful completion of a P-coded

The next 42 months in the proposed alternative career path involve six months in a FRS, followed by an Executive Officer tour (18 months), and ultimately an 18 month Command at the 17 year point. The next possible opportunity for subspecialty development would occur after satisfying the joint tour requirement.

The proposed alternative career path would provide the officer with nine years of Fleet operational experience, prior to assuming Command of a Squadron. In addition, the officer would have spent five years in financial management billets, developing his subspecialty for future senior level assignments.

---

billet, which the officer would have accomplished by this point.

V. THE IMPACT OF THE FINANCIAL MANAGEMENT SUBSPECIALTY

A. Background

This chapter attempts to assess the impact of specializing in the area of financial management, on the careers of unrestricted line officers. When evaluating the impact of any particular factor on the career of an officer, the most accurate yardstick is the officer's successful and timely promotion, to the next rank. The importance of promotion to the Unrestricted Naval Officer's career is best summarized in the following quote (Shepard, pg. 56):

> Promotion and its attendant policies are always uppermost in any Naval officer's planning. Unlike his contemporaries in business or industry, where promotions are not an up or out situation, an officer "failed to select' is with very few exceptions approaching termination of his Naval career. By law an officer's career will be involuntarily terminated only after he has twice failed selection, and then the timing of his release is determined by his rank. Regardless of the circumstances no more disastrous event can befall a member of the highly competitive group.

In a study entitled, *Career Switching and Career Strategies Among U.S. Naval Officers*, the majority of the officers interviewed felt that up to the rank of Commander, an officer's billets and ratings determined his promotion. (Derr, 1979) The individual officers were actively involved in billeting discussions with their Detailers, to ensure that

they received the "right" billets. It was informally understood by the officers, that some billets were more favorably viewed for future promotions than others. The study also determined the following from the officers interviewed (Derr, pg. 7):

> Each officer community perceives its own "tickets" to be punched in order for the members to advance up the hierarchy. Submariners must get nuclear training and good billets in nuclear submarines. Aviators should "stay in the cockpit" or remain flying as long as possible and should lead a squadron. Surface officers need to become the Commanding Officer of a newer class of destroyer or frigate.

The main objective of the officers thus becomes to avoid those jobs perceived as having an adverse or neutral impact on future promotion opportunities.(Derr, 1979) In simple terms, an adverse impact would cause an officer to miss a promotion opportunity when "in zone", where as a positive impact might cause the officer to be selected "below zone" or alternately ensure his selection "in zone".[24]

The concept of avoiding or pursuing jobs according to their perceived impact on careers, is significant to the discussion of an officer's subspecialty selection. This is particularly true in light of the fact that an officer's chosen subspecialty will, in a large part, determine his/her future job assignments. This further defines the objective of

---

[24] An adverse or neutral impact is assumed to preclude or retard the officers timely promotion. The end result in the competitive environment surrounding command selection, would be failure to select for Command.

the Unrestricted Line Officer, in regards to subspecialty codes. The objective becomes to choose that subspecialty which will enhance the officer's career.

As early as 1965, the issue of the impact of not having a P-code, or having a technical verse a non-technical P-code was addressed in the *Career Planning Information For Surface Junior Officers* handbook. (Bupers 1965, pg. 11)

> " In today's sophisticated Navy, more emphasis is being placed upon scientific and technical training. The need for highly qualified officers in these fields is obvious. Many capable officers, however, who are academically qualified but are not inclined toward the pursuit of technical studies, have voiced a concern that lack of technical interests would be a handicap to their careers because of the increased emphasis on an officer's technical qualifications....In general, however, it is important to keep the Navy's needs in proper perspective when planning a career. Highly qualified officers are needed in both fields, technical and non technical, and it is difficult to imagine a point in time when either field will not provide the opportunity for an energetic officer to enjoy a successful career.

The bottom line in the discussion was that high performers in either technical or non technical fields could look forward to enjoying a successful career, which by definition has timely promotions along the way.

In an interview with the former Director of Budget and Reports for the Navy (OP-82), Vice Admiral Miller, the topic of subspecialty selection and its impact on officer careers was discussed. Vice Admiral Miller felt that some subspecialties were indeed more beneficial to an officers career than others. (Miller, 1991) For example, a technical subspecialty such Anti-Submarine Warfare could be utilized

during fleet operational tours, where a non technical subspecialty, such as Financial Management, would almost certainly be fulfilled outside the operational environment.

This portion of the thesis research compares the Financial Management subspecialty promotion statistics to three sample populations; non P/Q-coded officers, non technical P/Q-coded officers and technical P/Q-coded officers.

Figure 22 lists the subspecialties examined under each category. The first category, officers who have no subspecialty (non P/Q-coded), was selected to determine if not having a subspecialty (financial management in particular) was better in the long term for an officer's promotion opportunities. This assumes that the officer is free to choose, and actively pursues those general Unrestricted Line Officer shore billets that are perceived to help his/her career. The next category contains three "hard core" technical subspecialties that can conceivably be utilized in an operational environment. This category was selected to provide an interesting comparison as to how the Financial Management subspecialty stacks up to a sample of "Fleet operational" subspecialties. The final category, non

SUBSPECIALTY STUDY GROUPS

I. NON P/Q CODED OFFICERS

II. TECHNICAL P/Q CODED OFFICERS

ANTI SUBMARINE WARFARE	XX44
NAVAL SYSTEMS ENGINEERING	XX50
AERO SYSTEMS ENGINEERING	XX70

III. NON TECHNICAL P/Q CODED OFFICERS

FINANCIAL MANAGEMENT	XX31
MANPOWER, PERSONNEL & TRAINING	XX33
POLITICAL SCIENCE	XX20

Figure 22

technical, contains the Financial Management subspecialty XX31-P. The non technical subspecialties were considered vital to the needs of the Navy, and were selected to provide a comparison with a sample having similar non technical characteristics.

B. Data

The data necessary for the analysis was obtained from officer promotion files located within the computerized data base of the Bureau of Naval Personnel (BUPERS).[25] The access program, PSUBSTAT), was run for the ranks of Captain, Commander, and Lieutenant Commander for the years, 1983 to 1992. The program grouped officers according to those who possessed no subspecialty, and those officers who possessed selected other technical and non technical subspecialties. The program produced output data on the number of officers who were eligible for promotion "in zone" and the number of officers who were selected for promotion for each respective rank and year.[26]

---

[25] A specific program to access the desired data was written by Commander Mike Lamboni (PERS 213). (Lamboni, 1991)

[26] In zone refers to those officers who are eligible and should be selected for promotion to be promoted on time. This is opposed to those officers selected early (below zone) and those officers selected late (above zone).

This data was summarized for each subspecialty, for the ranks of Captain, Commander and Lieutenant Commander. Tables I through VIII provide the summarized data.

TABLE I

PROMOTION RESULTS FOR UNRESTRICTED LINE OFFICERS

Financial Management
P/Q Coded Officers

Selection Board	CAPT. E	CAPT. S	CDR. E	CDR. S	LCDR. E	LCDR. S
92	10	5	14	12	14	13
91	12	7	8	6	9	5
90	10	7	22	16	15	14
89	10	4	16	11	8	7
88	6	1	9	4	10	9
87	24	13	22	19	7	5
86	13	7	6	5	5	5
85	8	5	6	5	5	5
84	13	9	14	11	4	4
83	9	4	14	13	5	5

Key:

E: Eligible for promotion

S: Selected for promotion

TABLE II

PROMOTION RESULTS FOR UNRESTRICTED LINE OFFICERS

Non P/Q Coded Officers

Selection Board	CAPT. E	CAPT. S	CDR. E	CDR. S	LCDR. E	LCDR. S
92	435	224	558	356	1161	847
91	341	153	695	420	1004	678
90	323	150	850	513	1287	905
89	303	140	602	377	845	591
88	350	169	607	363	1074	783
87	449	207	720	435	1116	814
86	378	194	547	376	877	676
85	296	144	494	321	1014	810
84	316	171	663	469	1369	1116
83	290	154	590	438	980	841

Key:

E: Eligible for promotion

S: Selected for promotion

TABLE III

PROMOTION RESULTS FOR UNRESTRICTED LINE OFFICERS

Antisubmarine Warfare
P/Q Coded Officers

Selection Board	CAPT. E	CAPT. S	CDR. E	CDR. S	LCDR. E	LCDR. S
92	9	5	10	8	11	11
91	9	4	10	4	12	11
90	10	3	19	13	10	8
89	8	4	15	11	10	9
88	8	4	16	12	4	4
87	6	5	21	18	14	13
86	5	4	14	11	6	6
85	3	0	15	13	8	8
84	1	1	17	14	15	13
83	0	0	16	12	8	8

Key:

E: Eligible for promotion

S: Selected for promotion

TABLE IV

PROMOTION RESULTS FOR UNRESTRICTED LINE OFFICERS

Naval Systems Engineering
P/Q Coded Officers

Selection Board	CAPT. E	CAPT. S	CDR. E	CDR. S	LCDR. E	LCDR. S
92	11	8	6	4	8	7
91	5	4	3	1	6	6
90	11	11	8	6	3	3
89	11	6	9	7	6	4
88	6	6	6	5	10	9
87	8	8	12	10	9	8
86	3	3	10	8	2	1
85	2	0	10	8	3	2
84	4	2	10	10	11	11
83	6	4	12	11	13	10

Key:

E: Eligible for promotion

S: Selected for promotion

TABLE V

PROMOTION RESULTS FOR UNRESTRICTED LINE OFFICERS

Aeronautical Systems Engineering
P/Q Coded Officers

Selection Board	CAPT. E	CAPT. S	CDR. E	CDR. S	LCDR. E	LCDR. S
92	15	10	14	7	12	11
91	13	8	9	5	7	6
90	7	3	12	9	22	20
89	10	4	9	7	8	6
88	14	9	8	4	12	10
87	11	8	13	8	11	9
86	7	5	13	7	2	2
85	4	4	21	16	8	7
84	5	4	23	17	9	8
83	3	3	15	13	7	7

Key:

E: Eligible for promotion

S: Selected for promotion

TABLE VI

PROMOTION RESULTS FOR UNRESTRICTED LINE OFFICERS

Intelligence
P/Q Coded Officers

Selection Board	CAPT. E	CAPT. S	CDR. E	CDR. S	LCDR. E	LCDR. S
92	9	7	10	7	5	5
91	8	3	4	2	3	2
90	7	4	7	3	9	8
89	7	1	11	9	5	5
88	5	1	11	7	12	12
87	6	3	9	5	5	3
86	4	1	8	7	7	7
85	1	1	5	5	2	2
84	2	0	7	6	4	4
83	1	1	12	11	6	6

Key:

E: Eligible for promotion

S: Selected for promotion

TABLE VII

PROMOTION RESULTS FOR UNRESTRICTED LINE OFFICERS

Manpower Personnel and Training
P/Q Coded Officers

Selection Board	CAPT. E	CAPT. S	CDR. E	CDR. S	LCDR. E	LCDR. S
92	8	4	8	6	7	5
91	9	5	9	8	4	4
90	4	2	27	18	6	6
89	5	1	11	7	5	5
88	4	4	15	12	5	5
87	3	1	13	10	6	5
86	2	1	13	10	5	5
85	0	0	6	4	3	3
84	2	2	9	9	10	9
83	0	0	3	3	1	1

Key:

E: Eligible for promotion

S: Selected for promotion

TABLE VIII

PROMOTION RESULTS FOR UNRESTRICTED LINE OFFICERS

Political Science
P/Q Coded Officers

Selection Board	CAPT. E	CAPT. S	CDR. E	CDR. S	LCDR. E	LCDR. S
92	15	10	11	9	13	12
91	7	4	6	5	15	13
90	6	5	17	13	21	19
89	10	2	16	14	7	7
88	17	10	16	16	15	13
87	14	12	16	10	10	9
86	16	8	13	10	2	1
85	18	13	10	9	4	3
84	18	14	11	8	7	6
83	16	12	16	14	6	5

Key:

E: Eligible for promotion

S: Selected for promotion

C. Regression analysis

The objective of regression analysis procedures is to express a linear relationship between random variables. In the case of officer promotions, the regression equations express the linear relationship between the number of officers who have a specific P/Q code and are eligible for promotion (the independent variable), and the actual number of officers promoted (the dependent variable).

The regression analysis techniques utilized the least squares method to determine the "best fit line" for each set of data. The analysis was run for each officer rank, and each subspecialty in the subspecialty study group (refer to Figure 22).[27] Each regression equation provides a tool for estimating the number of promotions that will occur in any subspecialty, given a specific number of officers eligible for promotion during any given year. Other useful comparisons can be made by examining the regression equation. The slope of the regression equation represents the expected change in the number of officers promoted (either an increase or decrease) for each unit increase in the number of officers eligible for promotion. If the slope is positive, changes in the number of officers eligible would lead to an expected increase in the

---

[27] An excellent discussion of the least squares estimation techniques for regression analysis can be found in chapter 12 of ***Statistics For Business and Economics*** by Paul Newbold. (Newbold, 1988)

number of officers promoted. The magnitude of the slope indicates the relative strength of the relationship between the variables. (Newbold, 1988) The R-squared value given for each equation represents the portion of the sample variability of the dependent variable explained by its linear relationship with the independent variable. (Newbold, pg. 463) In this regard, the closer the value of R-squared to one (1), the better the fit of the regression line in predicting promotions given officers eligible.

Figure 23 displays the summarized results of the regression analysis for the rank of Captain (non technical subspecialties). For simplicity, the non subspecialty coded officers are included in the figure. Figure 24 provides a plot of the respective regression lines for each subspecialty. With the exception of the Intelligence regression equation (R-sqd 55.9), all equations have a relatively high R-squared value, indicating that using the number of officers eligible for promotion as the independent variable was a good choice in explaining the variability of the number of officers promoted. It is significant to note that the Financial Management subspecialty officers enjoy a higher rate of promotion to the rank of captain (steeper slope) than all subspecialties in the non technical sample group, with the exception of the Political Science subspecialist.

Figures 25 and 26 provide the summarized results for the rank of Captain (technical). The regression equations for the

technical sample group all had high R-squared values, the lowest being ASW with an R-squared value of 62.5%. Of this group, the Financial Management subspecialty had the highest rate of promotions, second only to Naval Systems subspecialist.

REGRESSION SUMMARY NON TECHNICAL CAPTAIN

SUBS	EQN	COEF	STDEV	SLOPE	STDEV
FINANCIAL MGMT	Y = -.86 + .614X R-SQD 85.5%	-.865	1.111	.6143	.089
NON CODED	Y = 7.1 + .47X R-SQD 85.1%	7.10	24.49	.4696	.069
INTEL	Y = -.497 + .539X R-SQD 55.9%	-.497	.9682	.5395	.169
MANPOWER PERSONNEL & TRAINING	Y = .152 + .499X R-SQD 73.1%	.152	.5009	.4994	.107
POLITICAL SCIENCE	Y = -1.69 + .78X R-SQD 71.4%	-1.692	2.505	.7805	.174

Figure 23

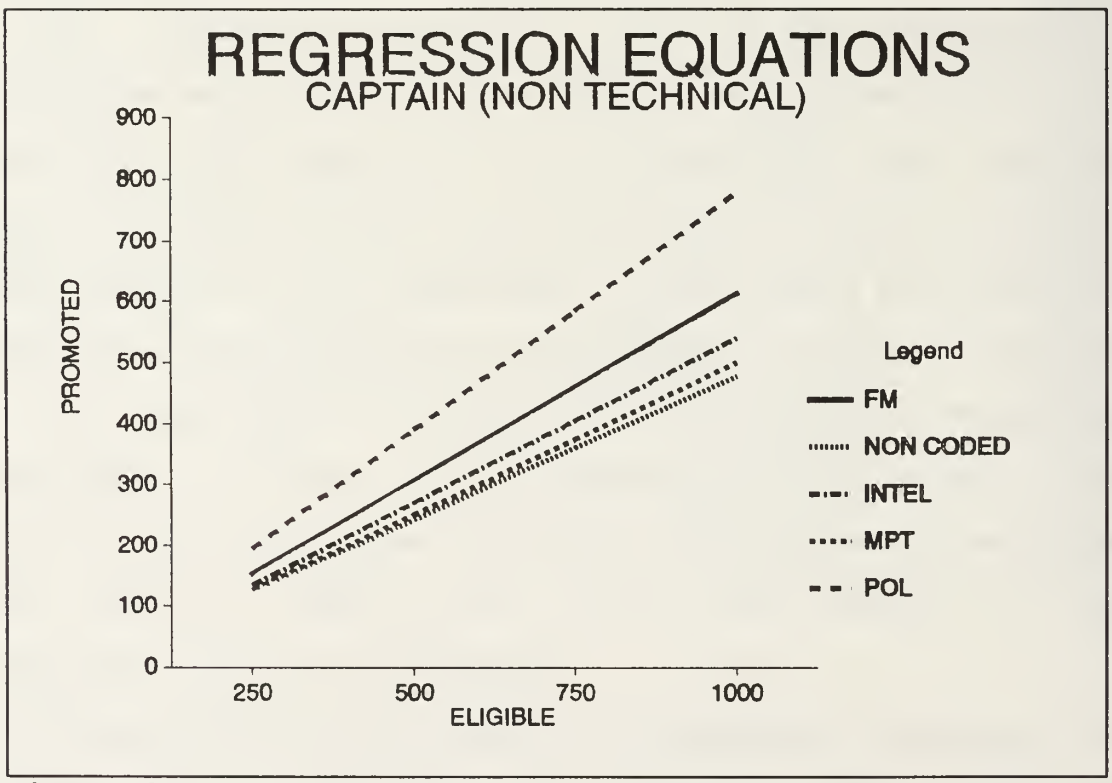


Figure 24

REGRESSION SUMMARY TECHNICAL
CAPTAIN

SUBS	EQN	COEF	STDEV	SLOPE	STDEV
FINANCIAL MGMT	Y = -.86 + .614X R-SQD 85.5%	-.865	1.111	.6143	.0895
ANTI SUBMARINE	Y = .439 + .434X R-SQD 62.5%	.4393	.8062	.4340	.1187
NAVAL SYSTEMS	Y = -.44 + .841X R-SQD 77.1%	-.438	1.205	.8415	.1621
AERO SYSTEMS	Y = .851 + .556X R-SQD 81.1%	.8514	.9284	.5560	.0948

Figure 25

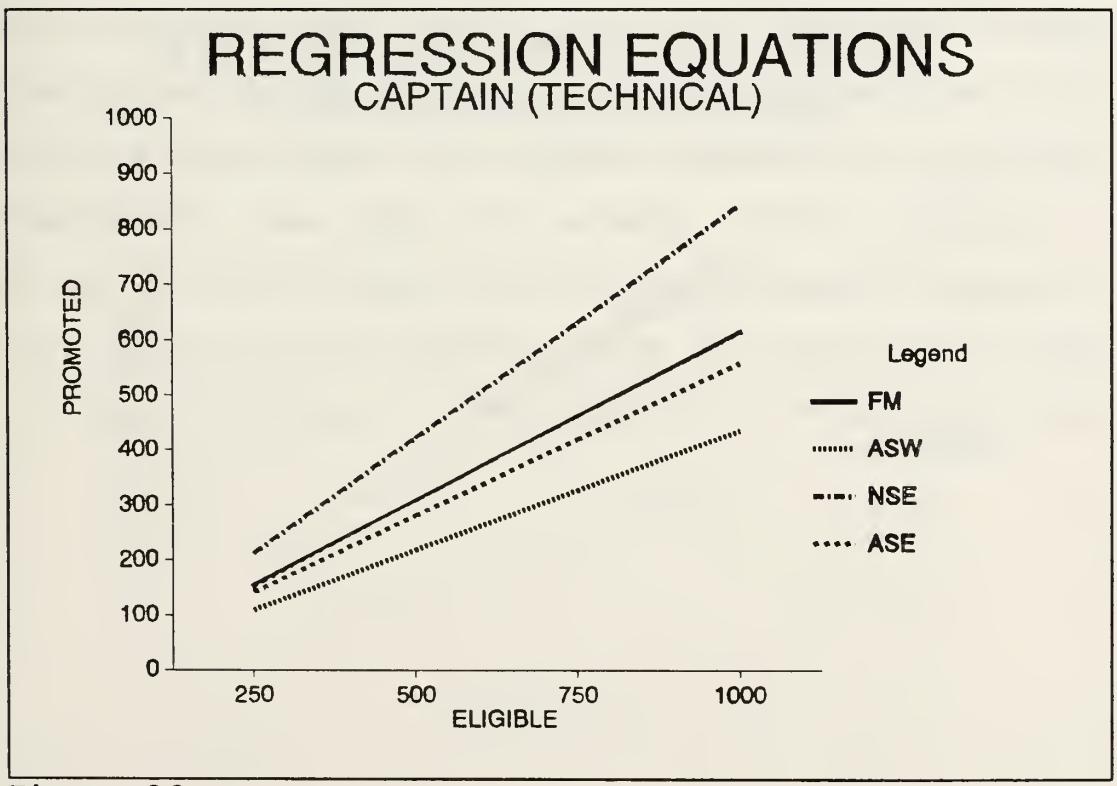


Figure 26

The results of the regression analysis for the rank of Commander (non technical) and Commander (technical) are provided in Figures 27 through 30. For the non technical regression equations, all R-squared values were high, with the Intelligence subspecialty being the lowest (R-squared value of 71.7%). The rate of promotion for this sample group was essentially the same for Financial Management (.824), Intelligence (.842), and Political Science (.820). The Manpower subspecialty was the next highest, with a slope of .638. The non coded officers experienced a significantly lower rate of promotion (.497), than any other group in the non technical sample.

The R-squared values for the technical regression equations were all high. Aero Systems was the lowest in this group, with an R-squared value of 88.2%. In this sample group, the Financial Management subspecialist experienced a high rate of promotion (.824). Despite this high rate, the Financial Management subspecialist promotion rate was behind all other sample subspecialties, which included, Naval Systems (1.05), Anti Submarine Warfare (.982) and Aero Systems (.851).

REGRESSION SUMMARY NON TECHNICAL COMMANDER

SUBS	EQN	COEF	STDEV	SLOPE	STDEV
FINANCIAL MGMT	Y = -.59 + .824X R-SQD 90.9%	-.593	1.311	.8239	.092
NON CODED	Y = 92.7 + .497X R-SQD 76.3%	92.66	62.68	.4965	.097
INTEL	Y = -.87 + .842X R-SQD 71.7%	-.870	1.639	.842	.1868
MANPOWER PERSONNEL & TRAINING	Y = 1.43 + .638X R-SQD 94.2%	1.4282	.7285	.6378	.056
POLITICAL SCIENCE	Y = -.02 + .82X R-SQD 77.8%	-.020	2.113	.8197	.154

Figure 27

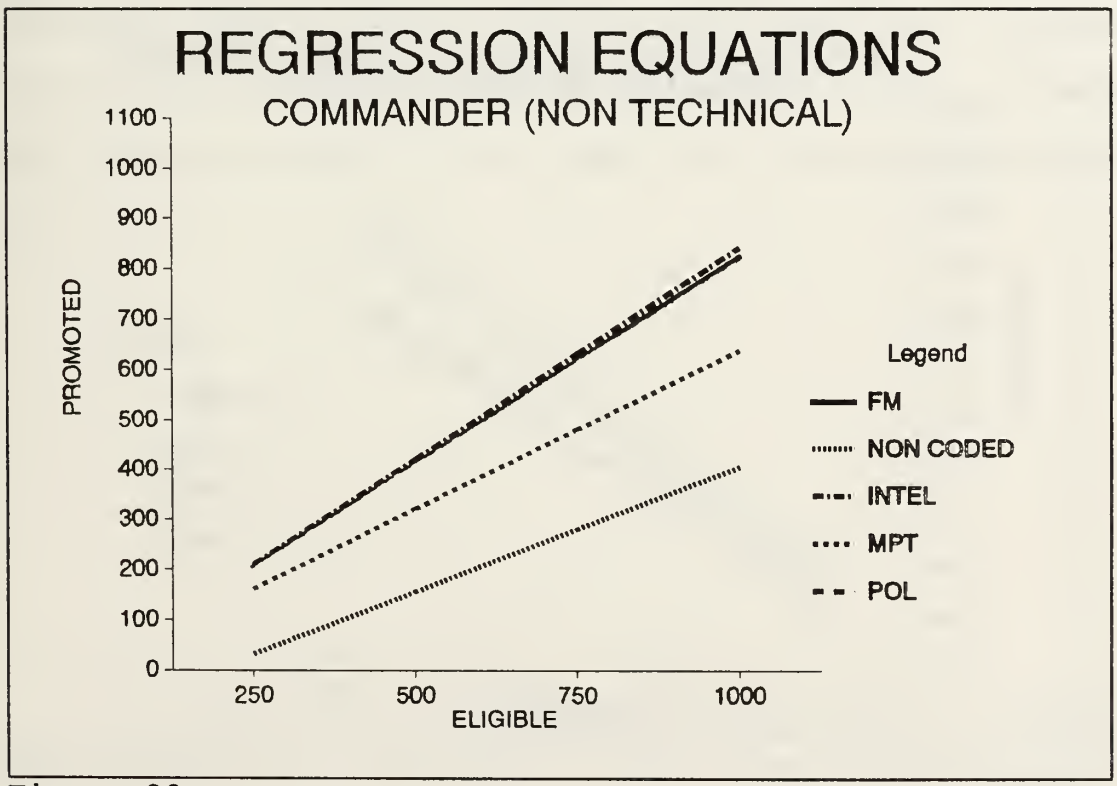


Figure 28

REGRESSION SUMMARY TECHNICAL
COMMANDER

SUBS	EQN	COEF	STDEV	SLOPE	STDEV
FINANCIAL MGMT	Y = -.59 + .824X R-SQD 90.9%	-.593	1.311	.8239	.0920
ANTI SUBMARINE	Y = -3.43 + .982X R-SQD 85.2%	-3.431	2.262	.9824	.1445
NAVAL SYSTEMS	Y = -2.02 + 1.05X R-SQD 95.1%	-2.02	.7602	1.04839	.0842
AERO SYSTEMS	Y = -2.35 + .851X R-SQD 88.2%	-2.352	1.591	.8505	.1098

Figure 29

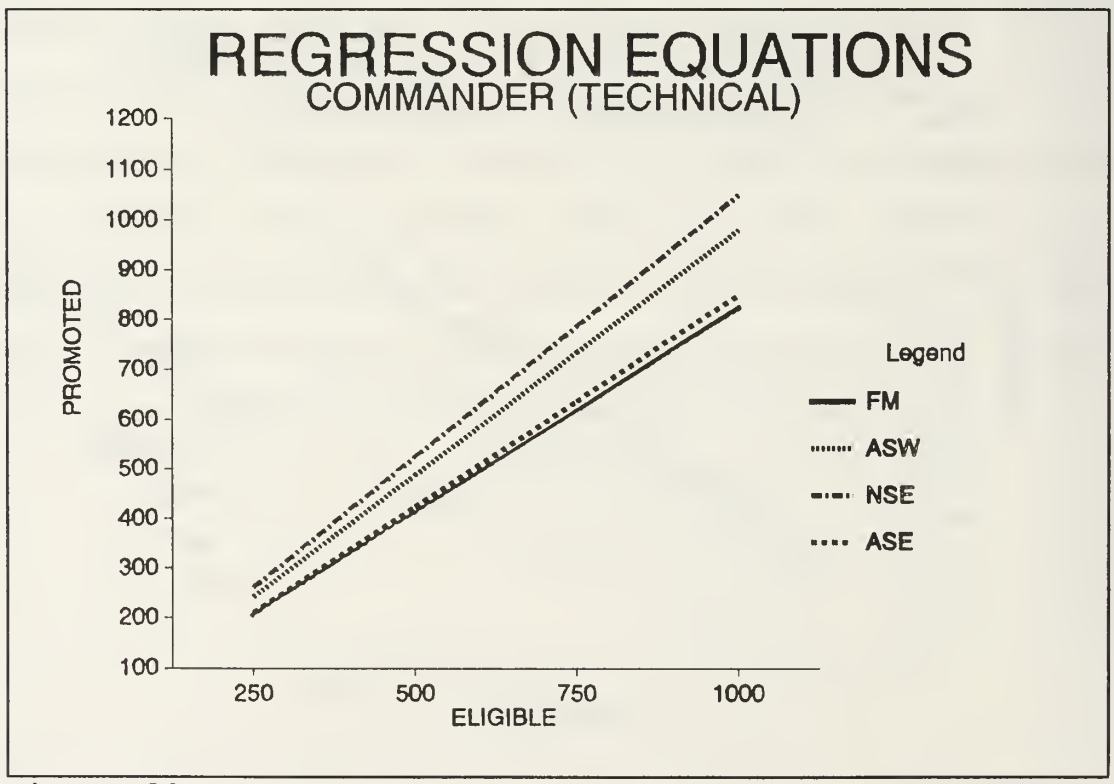


Figure 30

The regression analysis results for the rank of Lieutenant Commander (non technical) and Lieutenant Commander (technical) are provided in Figures 31 through 34. For the non technical sample group, all R-squared values were high, with the non coded officers having the lowest value at 81.8%. The highest promotion rate was enjoyed by the Intelligence subspecialty (1.02), followed by Political Science (.924). The Financial Management subspecialty (.888) surpassed both the Manpower subspecialty (.822) and the non coded officers. The non coded officers experienced the lowest promotion rates of the group with (.786).

The technical sample group showed similar results. In this case, the Naval Systems subspecialty experienced the highest promotion rate (.904), followed by the Aero Systems subspecialty (.900).[28] Financial Management (.888) exceeded the promotion rate of one group, Anti Submarine Warfare (.835).

---

[28] The slopes of the regression equations for the Naval Systems and Aero systems subspecialties are so close (.904 and .900 respectively), that the curves essentially overlap in Figure 34.

REGRESSION SUMMARY NON TECHNICAL LIEUTENANT COMMANDER

SUBS	EQN	COEF	STDEV	SLOPE	STDEV
FINANCIAL MGMT	Y = -.079 + .888X R-SQD 89.5%	-.0793	.9637	.8877	.1073
NON CODED	Y= -37 + .786X R-SQD 81.8%	-37.0	142.0	.7859	.1309
INTEL	Y = -.490 + 1.02X R-SQD 94.8%	-.4897	.5405	1.0154	.084
MANPOWER PERSONNEL & TRAINING	Y = .527 + .822X R-SQD 92.7%	.5271	.4640	.8217	.0817
POLITICAL SCIENCE	Y = -.436 + .924X R-SQD 99.3%	-.4357	.3039	.9235	.0265

Figure 31

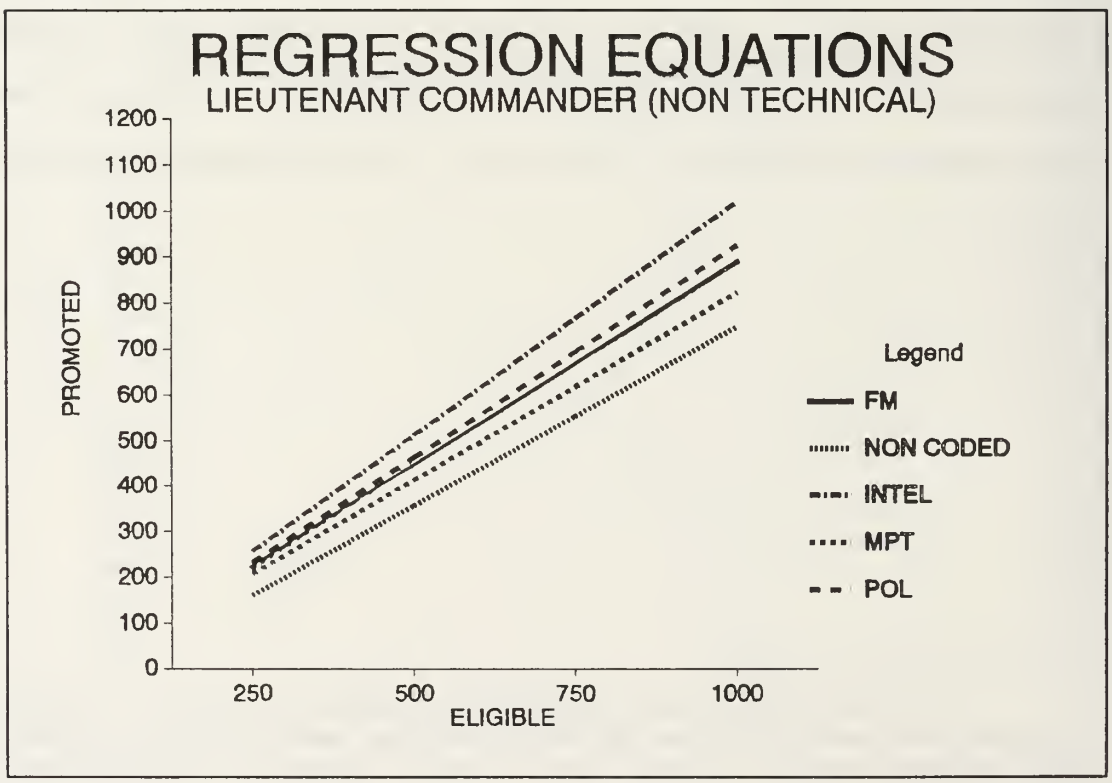


Figure 32

REGRESSION SUMMARY TECHNICAL LIEUTENANT COMMANDER

SUBS	EQN	COEF	STDEV	SLOPE	STDEV
FINANCIAL MGMT	Y = -.079 + .888 R-SQD 89.5%	-.0793	.9637	.8877	.1073
ANTI SUBMARINE	Y = .915 + .835X R-SQD 95.8%	.9148	.6387	.8352	.0618
NAVAL SYSTEMS	Y = -.318 + .904X R-SQD 93.7%	-.3179	.6565	.9039	.0827
AERO SYSTEMS	Y = -.218 + .900X R-SQD 98.4%	-.2184	.4416	.8998	.0402

Figure 33

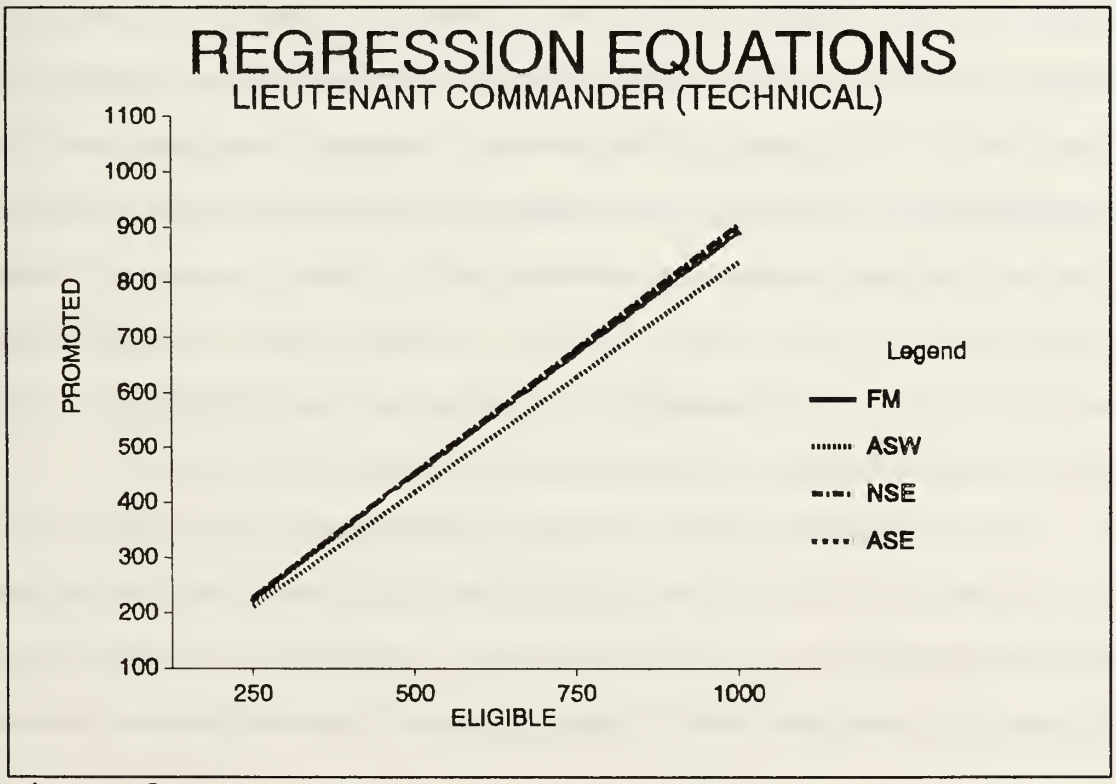


Figure 34

VI. CONCLUSIONS, RECOMMENDATIONS AND AREAS FOR FURTHER STUDY

A. CONCLUSIONS

1. Financial Management Jobs in the Navy

The existing system for determining which billets in the Navy are coded for a Financial Management subspecialist is adequate for the task. The impetus for coding a Command billet rests largely with the local Command, who has the most comprehensive understanding of the local needs. The process involves a detailed request justifying the need for a Financial Management subspecialist in light of the required local duties. Although the process might seem to favor the needs of the most aggressive Commands, there are built in "checks and balances". These "checks and balances" come in the form of the biannual SRB review. During this review, each subspecialty billet is critically reviewed on an individual basis taking into account both the recent Command justification and the current status of the available subspecialist. The process is dynamic and efficient, taking into consideration the changing needs of the Navy.

2. Categorizing DON Financial Management Billets

The tiered categorization of financial management billets according to skill levels (ie., low to high), is not currently accomplished. The current process does however,

provide a crude categorization according to billets requiring the educational P-code and those requiring the experience Q-code. This categorization is further subdivided according to the desired rank of the officer. The broad category of experience Q-coded billets are not analyzed utilizing job descriptions to differentiate between different skill level requirements within the broad category. This would seem to imply that the great majority of the financial management billets in the Navy are similar in difficulty and skill requirements. The system seems to assume the skills are more a function of the rank of the officer assigned to the billet. The career path analysis does not support this assumption, as senior officers are presently capable of being billeted to high level financial management jobs without the benefit of progressive subspecialty development. In addition, those officers who do manage to follow the specific career path proposed for Financial Management subspecialist development are often too junior to assume the more demanding billets for which they are qualified.

3. **Determining the Input of Officers**

The Postgraduate School Quota Model is a very effective tool in determining the required input of Unrestricted Line Officers into the Financial Management subspecialty. The model takes into account key variables such as billet needs (as determined by the SRB review) and the

current inventory of subspecialists. The output for Financial Management subspecialist is provided according to rank (grade) and designator (surface, subsurface and air). The model produces the desired balance between the various warfare communities by means of the designators. This does not however ensure that equal numbers of Unrestricted Line Officers from the various warfare communities will be available for assignment to financial management billets during their respective shore assignment zones. Specifically, the demanding and time consuming requirements of the nuclear submarine and aviation warfare communities routinely take priority over financial management subspecialty shore assignments. This phenomena is not unknown to the Chain of Command, and is tracked under the heading of subspecialty utilization.

4. Optimum Career Paths

A review of the career structures available to the various warfare communities indicated a moderate amount of flexibility for accommodating Financial Management subspecialty development. The flexibility (leading to Command) was greatest for the surface officers, followed by the aviation and submarine communities. Flexibility in this regard is defined as the number of opportunities an officer has to develop the financial management subspecialty, prior to assuming Command. Assuming utilization of the various opportunities by the subspecialty coded officer, the surface

community would inevitably produce officers with more years of experience in financial management.

5. The Impact of the Financial Management Subspecialty

A regression of the promotion data for subspecialty (and non subspecialty) coded officers for the past 10 years produced some interesting results. As could be expected, the promotion rate for those financial management subspecialty coded officers, for the ranks of Captain, Commander and Lieutenant Commander was superior to those for non coded officers. The conclusion inherent in these results indicates that the subspecialty does not harm, but rather helps, the promotion potential for the subspecialty coded officers. This result is important when advertising the subspecialty to prospective officers, who might be concerned about the impact of such a decision on their future career.

A comparison of the Financial Management regression analysis results to those of the technical subspecialty sample group provided some interesting conclusions. The Financial Management subspecialty had the highest promotion rate to the rank of Captain, with the exception of the Naval Systems subspecialist. Promotion rates to the rank of Commander were not as encouraging. The promotion rate for the Financial Management subspecialist in this rank was behind every subspecialty in the sample group. The promotion rate to the rank of Lieutenant Commander was extremely close for all the

subspecialties, however, the Financial Management subspecialist was next to last, ahead of the ASW subspecialist.

The promotion rates in comparison to the non technical sample groups were generally higher for the Financial Management subspecialist. Financial Management promotion rates were second overall, to the ranks of Captain and Commander. The promotion rates to the rank of Lieutenant Commander was high for all the subspecialties, however the Financial Management subspecialist was next to last in the group.

In general, the Financial Management subspecialist enjoys a similar promotion rate, in comparison to technical and non technical subspecialists. All subspecialties tended to promote at higher rate in the junior ranks, a finding that supports the "pyramid structure" of the Navy.[29]

The fact that all the subspecialties promoted at a higher rate than the non coded officers supports the Navy's commitment to subspecialty development. Specifically, the Navy considers the subspecialty development aspect of an officer's career as one of the three most important prerequisites for promotion to the most senior ranks in the Navy. (Osterhoudt, 1983) The most significant finding of the regression analysis was that overall, the Financial Management subspecialty does

---

[29] The "pyramid structure" of the Navy has as its' base, a wide foundation of junior officers, tapering down to a relatively few number of officers in the senior ranks. (Osterhoudt, 1983)

not adversely impact the promotion opportunities of the Unrestricted Line Officers in the various warfare communities.

B. RECOMMENDATIONS AND AREAS FOR FURTHER STUDY

Recommendation 1: The current career path structures for Surface, Submarine and Aviation Warfare Officers all have ample opportunities for meeting both the financial management needs of the Navy and those of the officer aspiring to Command. However, greater control over the billeting of the Financial Management subspecialty coded officers throughout their careers is required, if the goal of "growing financial management talent" within the individual communities is to be achieved. A recommended control point for obtaining and exercising career path monitoring and financial management billeting is within the Office of Budget and Reports for the Navy (OP-82). In this regard, OP-82 would assume greater control over the billeting of the Financial Management subspecialist entering shore assignment zones. Close coordination would be maintained with the respective warfare community. This coordination would ensure that the officer continues to transfer on time to the necessary operational sea assignments needed to keep the officer competitive for Command.

Recommendation 2: The current method of categorizing financial management billets in the Navy uses two broad categories: P-coded billets and Q-coded billets. The billets

are further categorized according to the desired rank. This system does not take into account the varying degrees of experience necessary to satisfactorily perform the Q-coded billets. A method of categorizing the Q-coded billets utilizing a list of attributes inherent in the billets is recommended. These attributes would include factors such as the amount of funds managed, the number of personnel supervised and the perceived complexity of the billet by the Command. This system would score the various billets on a predetermined scale, producing a tiered structure of billets which would facilitate the "growing process" in billeting officers. The decision as to the appropriate attributes and scoring techniques, as well as the actual conduct of the ranking process, is a recommended area for further study.

Recommendation 3: Chapter IV outlined specific alternative career paths for Financial Management subspecialty coded officers that would both develop the subspecialty and meet the officers requirements necessary for Command. It is recommended that these proposed alternative career paths be advertised to officers interested in the Financial Management subspecialty. This should be accomplished through the officer publication ***Perspective***. This recommendation is based on the premise that officers entering the Financial Management subspecialty are volunteers, and to attract the best officers possible, proof of a plan to manage their career is necessary. In addition, information indicating the findings concerning

the promotion impact of the Financial Management subspecialty should be made available. A complete analysis of the Financial Management promotion statistics in comparison to all other subspecialties is an area proposed for further study.

APPENDIX

THESIS INTERVIEW QUESTIONS:

1. Where are FM P/Q-coded skills required for unrestricted line officers in the Department of the Navy (DON)?
2. Can (are) the various FM P/Q-coded jobs in the DON be broken down according to the level of financial management experience required? If not what would be the best arrangement of sub categories(ie., high, intermediate and low level FM jobs).
3. What are the required ranks and tour lengths for the various FM P/Q-coded jobs in the DON?
4. Where do you think the best place is to start FM training in the career path of Unrestricted Line (URL) Officers based on FM needs of the Navy?
5. When did you start your FM training in your career path? (URL Officers only)?
6. Do you feel that you were well prepared for your FM assignments? If not, where do you feel that the FM training could be improved?(URL Officers only)
7. What are other attributes evaluated in detailing Naval officers to FM billets that are considered acceptable waivers for skill or expertise requirements?
8. Sitting across the desk from Office of the Secretary of Defense (OSD) personnel, are DON financial managers at a disadvantage due to lack of experience?

9. What do you perceive to be the impact of manning FM p-coded jobs with non URL Officers? Do you feel that civilian personnel or Restricted Line Officers could fulfill these functions as well?

10. Do you feel that URL Officers are adversely impacted by possessing the FM P-code in regards to promotions and major command assignments? (This question considers the URL Officer as spending the same amount of time assigned to shore duty as his peers except that his peers are assigned to non P-coded staff jobs)

11. What do you feel could be done to improve the detailing of URL Officers possessing a FM P-code?

12. What do you feel could be done to improve the accession of General URL Officers into the FM specialty?

13. What is/are the current career paths for unrestricted line officers?

14. What are the locked in concrete requirements for General URL Officers? (ie. Baby SWOS, D.H. school, Joint Tour.) Where can theses requirements be slid?

15. Is there a listing of officers with FM p-codes, to include where they have been detailed to? (FM jobs...where, when,)

16. What DON FM p-coded jobs previously held by line officers are being re-evaluated for restricted line officers, because of a lack of qualified line officers?

17. What are the current and projected levels of unrestricted line officers with FM p-codes and what is being done to address any short fall?

List of References

Arima, J.K., (1981, April) The 1980 survey of Certain Unrestricted Line Officers of the Navy Regarding Their Reassignment to a New Position (NPS Report 54-81-004). Monterey: Naval Postgraduate School.

Arima, J.K., (1981, Sept) Organizational Handling of Midcareer Moves: The Reaction of Navy Line Officers (NPS Report 54-81-011). Monterey: Naval Postgraduate School.

Bruni, J. Jr., Morrison, R.F. & Wilcove, G.L., Officer Career Development: Reactions of Two Unrestricted Line Communities to Detailers (NPRDC-TN-40). San Diego: Naval Personnel Research and Development Center.

Bureau of Naval Personnel (PERS 4). Perspective, Washington, D.C., May 1989.

Bureau of Naval Personnel (PERS 4). Perspective, Washington, D.C., March 1990.

Bureau of Naval Personnel (PERS 4). Perspective, Washington, D.C., November 1990.

Bureau of Naval Personnel (PERS 4). Perspective, Washington, D.C., March 1991.

Burch, R.L., Morrison, R.F., & Sheposh, J.P., (1991, Jan) Officer Career Development: Surface Warfare Officer Retention (NPRDC-TR-91-5). San Diego: Naval Research and Development Center.

Chief of Naval Personnel, Naval Officer Career: A Handbook of Occupational Information (Bupers 1963), U.S. Bureau of Naval Personnel, Washington, D.C., 1963.

Chief of Naval Personnel (Bupers 1965), Career Planning Information for Surface Junior Officers, U.S. Bureau of Naval Personnel, Washington, D.C., 1965.

Chief of Naval Personnel (BUPERS Career Guidebook 1990), The Naval Officer's Career Planning Guidebook 1990 Edition, U.S. Bureau of Naval Personnel, Washington, D.C.,1990.

Derr, C.B., A Theory and Research Instruments for Studying U.S. Naval Officer Careers (NPS Tech. Rep. 54-77-01). Monterey, Ca: Naval Postgraduate School, August 1977.

Derr, C.B., Career Switching and Career Strategies Among U.S. Naval Officers (NPS Tech. Rep. 54-79-004). Monterey, Ca. Naval Postgraduate School, May 1979.

Derr, C.B., Junior Officer Retention: Another Perspective (NPS Tech. Rep. 54-80-002). Monterey, Ca: Naval Postgraduate School, January 1980.

Emery, G.W., (22 April 1991) Memorandum for the Deputy Chief of Naval Operations: Manpower, Personnel and Training (OP-01). Office of the Chief of Naval Operations.

Estabrooks, J., Effects of the U.S. Navy Billet Assignment Process on Line Officer Career Intentions, M.S.

Thesis, Naval Postgraduate School, Monterey California 1981.

FY-91 Subspecialty Requirements Board (SRB Handbook), Office of the Chief of Naval Operations (Op-114D1), 1991.

Gumbert, R.D., (07 Mar 1991) Memorandum for the Director, RL/Staff Corps Officer Distribution and Special Placement Divisions (NMPC 440). Office of the Chief of Naval Operations, Washington, D.C.

Gutierrez, K., Commander, USN (OP114). Interview, Washington, D.C., 31 July 1991.

Heidt, E.A., Whitten, T.C., & Sullivan, H.J., (1984, December) Navy Officer Subspecialty Graduate Education: Incumbents' Perspectives of Billet Requirements, (Technical Report 160). Orlando: Training Analysis and Evaluation Group.

Joint Chief of Staff, Joint Officer Management JCS Admin Pub 1.2, Office of the Joint Chief of Staff, 30 June 1989.

Lamboni, M., Commander, USN (BUPERS 213). Interview, Washington, D.C., 30 July 1991.

Manual of Navy Officer Manpower and Personnel Classifications (NAVPERS 15839G), Volume 1: Major Code Structure 1990

McCormack, R. C., Assistant Secretary of the Navy for Financial Management. Interview, Washington, D.C., 30 July 1991.

McPadden, R.P., An Analysis of the Relative Importance of the Comptroller Billet Across Navy Activities, M.S. Thesis, Naval Postgraduate School, Monterey, Ca.,1983.

Miller, R., Vice Admiral, USN (Retired) (formerly OP-82). Interview, Monterey, California, 15 July 1991.

Milligan, R. D., Rear Admiral, USN, Director of Budgets and Reports for the Navy (OP-82). Interview, Washington, D.C., 30 July 1991.

Morrison, R.F., (1988, March) Officer Career Development: URL Officers in Joint Duty Assignments (NPRDC Tech Rep 88-26). San Diego: Navy Research and Development Center.

Newbold, P., Statistics for Business and Economics, New Jersey: Prentice Hall, 1988.

Nowakowski, M., Commander, USN (OP-821G3) Interview, Washington, D.C., 30 July 1991.

Osterhoudt, R.R., A Naval Officer as an Asset, M.S. Thesis, Naval Postgraduate School, Monterey California 1983.

Peck, R.L., (1988, July) Surface Warfare Community Structure: The First Eight Years of Service (CRM 88-87) Alexandria: Center for Naval Analysis.

Rezin, J.G., Effects of Career Development Factors on the Military Manager in the Support Activity, M.S. Thesis, Naval Postgraduate School, Monterey, Ca.,1976.

Steward, T.F., The Effect of the Goldwater-Nichols Department of Defense Reorganization Act on Surface Warfare

Officer Career Paths, M.S. Thesis, Naval Postgraduate School, Monterey Ca., 1987.

Shepard, P.M., Career Planning Information in Officer Professional Development, M.S. Thesis, Naval Postgraduate School, Monterey, Ca., 1974.

Sushka, P.W., A Comparative Study of the Navy Project Manager and his Civilian Counterpart in Industry, M.S. Thesis, Naval Postgraduate School, Monterey, Ca., 1976.

Weseley, H.S. Jr., Factors Influencing the Career Orientation of Junior Officers in the United States Navy, M.S. Thesis, Naval Postgraduate School, Monterey California 1982.

INITIAL DISTRIBUTION LIST

		No.Copies
1.	Defense Technical Information Center Cameron Station Alexandria, Virginia 22304-6145	2
2.	Superintendent Attn: Library, Code 52 Naval Postgraduate School Monterey, California 93940-5000	2
3.	Professor Richard A. Harshman, Code AS/HA Department of Administrative Sciences Naval Postgraduate School Monterey, California 93940-5000	1
4.	Professor Benjamin J. Roberts Phd, Code AS/RO Department of Administrative Sciences Naval Postgraduate School Monterey, California 93940-5000	1
5.	Radm. R.D. Milligan Office of the Navy Comptroller Director of Budget and Reports Room 4C736, Pentagon Washington, D.C. 20350-1100	1
6.	Defense Logistics Studies Information Exchange U.S. Army Logistics Management Center Fort Lee, Virginia 23801	1
7.	Office of the Chief of Naval Operations (OP-11) Attn: (OP-114) Department of the Navy Washington, D.C. 20370-5000	2
8.	Bureau Of Naval Personnel (BUPERS-213) Attn: Cdr. Mark Lamboni Washington, D.C. 20370-5000	1
9.	Lcdr Alexander L. Urrutia 591 D. Michelson Rd. Monterey, California 93940	4

645-216

DEC -8
JUN 25

Thesis
U485 Urrutia
c.1 Career paths for unrestricted line officers with the financial management subspecialty.

AMERICAN BINDERY 2 9-93

3 2768 00018419 6